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Florida Public Service Commission 1980 - 81 Report

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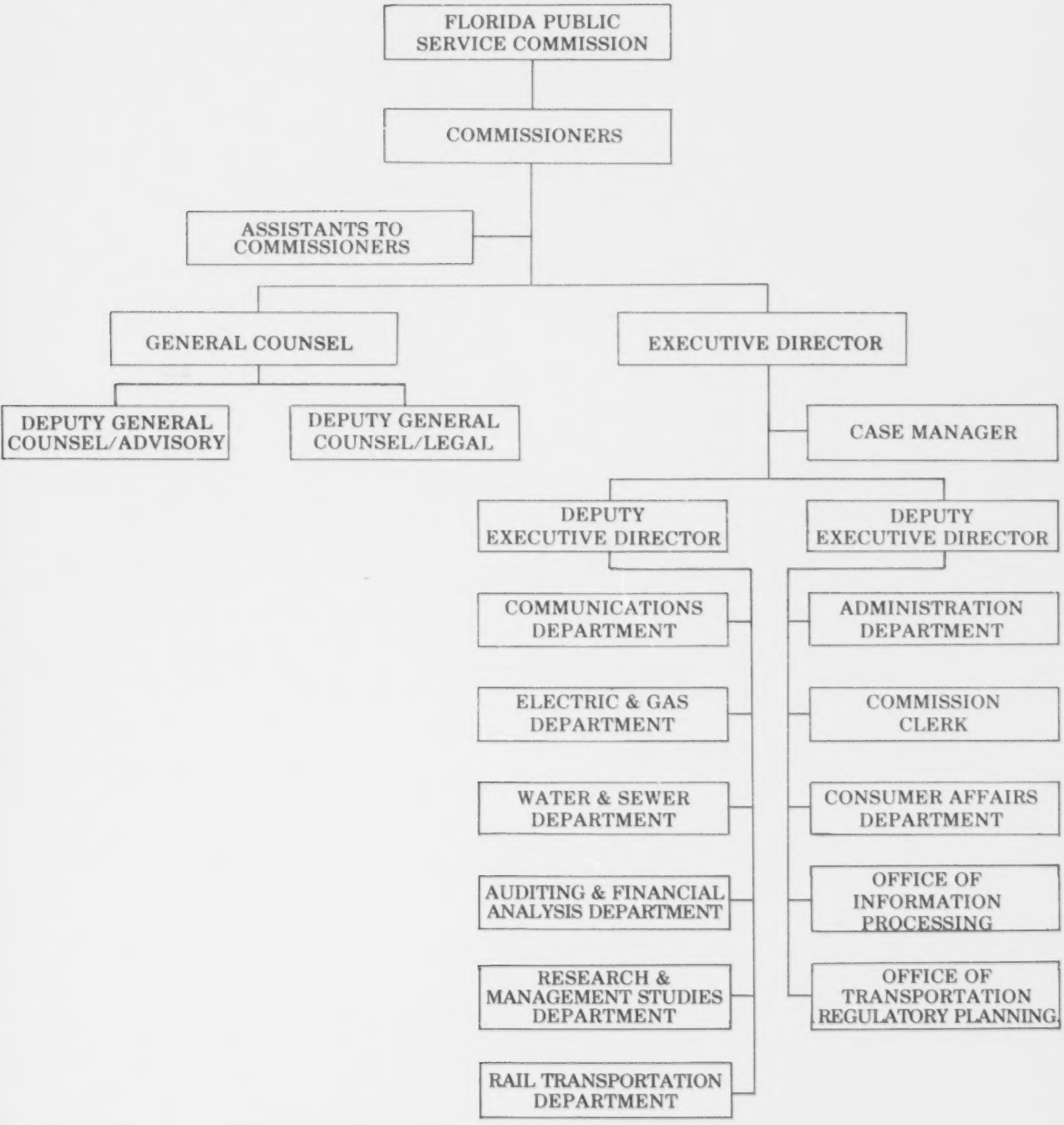
Organizational Chart of the Commission



The Commissioners

The Public Service Commission's five commissioners are appointed by the Governor from selections presented to him by a nominating council. The commission was changed from an elective to an appointive board by the 1978 Legislature.

Joseph P. Cresse

Joseph Cresse, of Tallahassee, was appointed by Governor Askew and took office on January 2, 1979. Cresse was formerly Assistant Secretary of the Florida Department of Administration and State Budget Director. He is chairman of the commission.

Gerald L. Gunter

Commissioner Gunter, of Titusville, was appointed by Governor Askew and took office on January 2, 1979. Gunter, who has a masters degree in management, is a former city councilman of Titusville.

John R. Marks, III

Commissioner Marks, a native of Miami, was appointed by Governor Graham in March of 1979. Marks, an attorney, was formerly a hearing examiner with the commission.

Katie Nichols

Commissioner Nichols was appointed by Governor Graham and took office on January 2, 1981. Ms. Nichols, of Tallahassee, became interested in utility regulation and began studying the PSC and attending the commission's hearings and meetings several years ago.

Susan W. Leisner

Commissioner Leisner, who is from Tampa, is the newest member of the commission. She was appointed by Governor Graham and took office on February 16, 1981. Ms. Leisner is a certified financial analyst, has a MBA and has been a writer for several financial publications.

The Florida Public Service Commission in 1980

The commission was created by the Legislature in 1887 as the Florida Railroad Commission. Its primary purpose was the regulation of railroads. Regulatory authority was added over the years to include telephone and telegraph companies (in 1911) and electric utilities (in 1951). The title of Florida Public Service Commission was designated in 1965.

The commission's main offices are located in the Fletcher Building in Tallahassee. Regulatory authority in 1980-81 includes areas of the electric, telephone, railroad, water/sewer, and natural gas industries. Major changes, activities and accomplishments of the commission in 1980 are detailed below.

Internal Matters

During 1980, several internal changes were made in commission operations to increase efficiency.

One major change was the reorganization of the commission's departmental structure. The technical departments, previously organized on a functional basis (Rate, Engineering, Accounting) were reorganized along industry lines (Electric & Gas, Communications, Water & Sewer).

There are several advantages to this reorganization. It pinpoints responsibility for particular cases, improves efficiency and leads to better management of work load.

The commission established a new procedure for agenda conferences utilizing a noncontroversial agenda. Noncontroversial items are separated and dealt with in total at the beginning of the agenda conference or sometimes at a separate noncontroversial agenda.

The advantages to this procedure are obvious. It increases efficiency by allowing the commission to decide on numerous items with one vote, allows staff members to begin work on the matters more quickly, and speeds up the agenda process.

The commission has also initiated regular "Internal Matters" meetings. This enables the commission to meet with key staff personnel on a regular weekly basis and improves communications within the PSC. This is a basic management communication tool which had not been used previously, and allows the commission to handle matters of internal interest on a timely basis.

Sunset

The 1980 Legislature completed Sunset review of the rules and regulations under which the commission operates. The major changes under Sunset resulted in the deregulation of motor carriers, radio common carriers, and telegraph companies effective July 1, 1980.

The elimination of the commission's Transportation Department resulted in the transfer of 108 PSC positions to the Department of Transportation. The commission's Examiners' Office was also eliminated. Eight positions from the Examiners' Office were transferred to the Department of Administration Division of Administrative Hear- Hearings. In all, there were 166 commission positions eliminated after the Senset session.

Case Load

Case activity statistics show a decrease from 731 total cases at the beginning of January, 1980, to 416 cases at the end of December. One reason for the large reduction was the elimination of transportation cases as a result of the July 1 deregulation. A total of 487 cases were closed from July 1 through September 30. During 1980, 1175 cases were closed.

Progress was made during 1980 in reducing the number of older cases. Those cases more than two years old were reduced from 79 to 70; more than one year old, from 140 to 76; more than six months old, from 173 to 93; and less than six months old from 339 to 177.

Rule Revisions

The commission has undertaken several reviews of its rules and regulations. The intention is to update and streamline regulations which, in many cases, have not been reviewed in a number of years.

Action was taken in November, 1980, to adopt several rule amendments relating to electric and gas service. Amendments regarding refusal or discontinuance of service by an electric or gas utility, information to customers, and measuring customer service were adopted.

A review of utility deposit rules begun in late 1979 was completed this year. Changes were made to make deposit requirements more uniform, to require refunds of all residential deposits after safisfactory payment is established, and to increase to 8% the interest paid on utility deposits.

Staff committees and the General Counsel began work on revising general and procedural regulations, requirements regarding MFR's and RCD's, and telephone rules. Recommendations on proposed amendments in these areas will be brought before the commission in the near future.

Task Forces Established

During 1980, the commission increased its use of staff task forces to study particular matters and provide recommendations.

A conservation task force was appointed to study, provide recommendations on and begin implementation of the Florida Energy Efficiency and Conservation Act.

A public awareness task force was established to make recommendations to the commissioners on increasing public awareness of and participation in commission activities. A report including recommendations on placing certain rate case data in local libraries was presented to the commission.

A fuel procurement task force was set up to study fuel procurement and purchasing practices of utilities and to advise the commission on matters in this area.

Telephone Rate Decreases Ordered

While 1980 saw three of the major investor-owned electric utilities request rate increases, the opposite was true for the telephone utilities. During 1979 and 1980, the commission determined that the earnings of many of Florida's telephone utilities were excessive and ordered refunds and/or rate reductions.

The largest case involved Southern Bell. The commission determined that Southern Bell was earning in excess of its authorized rate of return and initiated a proceeding to require the refund of overearnings. Resulting refunds of $40 million were made in April of 1979 and $12 million in April of 1980.

Because the overearnings were resulting in large part from increased toll revenues, a general investigation was initiated into the toll charges in Florida in January of 1979. The commission ordered a reduction of $31 million in annual toll rates in December of 1979, but this order was appealed to the Florida Supreme Court by Southern Bell and the rate reduction was not implemented pending the court's decision.

Meanwhile, the commission initiated a general investigation into the level of earnings of Southern Bell and required the company to hold $68 million in annual gross revenues subject to refund due to over-earnings pending the outcome of the rate investigation.

During the course of the rate investigation, hearings were held throughout the state in larger cities served by Southern Bell. Much of the testimony was submitted by hearing-impaired customers regarding charges for teletypewriter equipment for the deaf.

The investigation into Southern Bell's earnings was closed out by negotiation in September of 1980. In closing the case, stipulations were made withdrawing the toll rate reduction appeal resulting in a $35.9 million toll rate reduction which reduced the disparity between interstate and intrastate toll charges. A refund of $14.8 million was also made. Further toll and local rate reductions were made for the hearing-impaired customers using teletypewriter equipment.

A tabulation of all telephone company refunds and reductions follows. The toll rate reduction is listed under Southern Bell, however, this reduction and subsequent refund applied to all telephone company customers in the state.

Telephone Company Refunds and Rate Reductions

Southern Bell Telephone:
- $40,737,000 - Refund - April 1979
- $12,219,000 - Refund - April 1980
- $14,800,000 - Refund - October 1980

} Total of $67,756,000

- $35,910,143 - Rate Reduction - October 1980

Central Telephone:
- $572,802 - Refund - June 1979
- $132,270 - Refund - April 1980

Continental Telephone:
- $ 56,436 - Refund - January 1979
- $143,847 - Refund - December 1979

Florida Telephone:
- $ 676,425 - Refund - February 1979
- $2,702,000 - Rate Reduction - October 1980

Indiantown Telephone:
- $50,000 - Refund - May 1979
- $ 1,861 - Refund - September 1980

Northeast Florida Telephone:
- $15,000 - Refund - July 1979

St. Joseph Telephone:
- $275,000 - Refund - March 1979
- $200,545 - Refund - October 1979

United Telephone:
- $2,803,093 - Rate Reduction - January 1980

Winter Park Telephone:
- $300,000 - Refund - May 1979
- $506,023 - Refund - December 1979
- $830,000 - Refund - November 1980
- $461,000 - Rate Reduction - November 1980

Total Refund -	$71,516,209
Total Rate Reductions -	$41,876,236

Charge for Unreturned Phones Approved

The commission approved a Central Telephone Company plan to bill customers who do not return their telephone sets to the company when service is terminated.

During recent telephone cases, the commission expressed concern over losses experienced by telephone companies due to telephone instruments being removed by customers and not returned to the company. Provisions in most company tariffs for a credit to customers who returned their instruments did not seem to alleviate the problem.

Under the Central Telephone plan, customers who return their instruments when service is terminated will receive a $5.00 credit. If the instrument is not returned to the company, a charge for the phone will be included on the final bill and the instrument becomes the property of the customer.

The commission's order states, "The telephone company by this tariff would attempt to cut down on the number of 'lost' instruments which for one reason or another are not recovered when a subscriber moves, transfers, etc. If the instrument is returned the final bill will now carry a $5.00 credit but if it is not then the bill will reflect the average net investment of the telephone which then becomes the property of the customer. . .The set recovery program represents anticipated savings to the company of $285,000 for the sets and $66,000 in labor."

Electric Rate Cases

During 1980, three of the major investor-owned utilities petitioned the commission for rate increases within nine weeks of each other. These were the first major electric utility rate cases handled by the appointed commission.

Tampa Electric Company filed a petition on February 18, 1980, requesting approval of rate schedules designed to generate $50.7 million in additional annual gross revenues, and proposing interim rates of $21.7 million. In March, the commission granted TECO an interim increase of $20.4 million subject to refund.

The commission's final order in the case was entered in October, after nine days of hearings and over 4,000 pages of transcripts were compiled. Tampa Electric was granted a total rate increase of $31 million.

On March 3, 1980, Gulf Power requested a rate increase of $46.3 million. An interim increase of $6.2 million, subject to refund, was later granted by the commission. Nine days of hearings were held, and a record consisting of 3,140 pages of transcripts and 88 exhibits was built. Final approval was given in November for a rate increase of $40.6 million.

On April 22, 1980, Florida Power Corporation filed a petition with the commission for consent to place into effect proposed new rates which would result in an increase of $99 million in annual operating revenues. The rate increase request was based on a "projected," or current, test year.

The commission approved the calendar year 1980 test period. By using the current period, a major problem with regulatory lag is eliminated. Previously, when a historical test year was used, the company was basing its request on financial data that was more than a year old at the time the case was filed. By the time the case was concluded, almost two years might have passed. Current test year data eliminates these lag problems and frequent rate case filings resulting from the effect of inflation on revenues set on historical financial data.

Florida Power was granted an interim rate increase of $40.4 million in August. A final decision on the case was made in February granting the company an additional $18 million, effective for meter readings after March 20, 1981.

The commission penalized Florida Power by reducing the return on common equity by 10 basis points, or approximately $1 million annually, due to management-related problems at the Crystal River nuclear plant.

In January, 1981, Florida Power and Light Company filed a petition for a rate increase for $476 million, and later requested interim rate relief of $211 million.

First Management Study Completed

In recent years, regulated businesses, as well as other business firms, have been experiencing dramatic increases in operating costs. This has led to the commission's commitment to become more involved in operating cost efficiencies of regulated companies. The commission's intention, through managment audits, is to determine whether company management acted prudently in purchases, management decisions, etc.

Florida Power Corporation was selected as the first company to undergo a management audit. An outside firm, Arthur Young and Company, conducted the audit which began in early 1980. The report presented to the commission by the consultant on the operations of Florida Power was generally favorable.

The staff in the management studies section of the PSC's Research and Management Studies Department received initial training from Arthur Young during this comprehensive management audit. With the training, in the future, the staff will have the internal capability of conducting management audits.

"Daisy Chain" Settlement Negotiated

The commission approved a settlement agreement providing for the refund of some $5 million to Florida Power Corporation customers due to overcharges from the daisy chain oil pricing which occurred during 1973-74.

The settlement was subject to the approval of the U.S. District Court and remained under the review of the court for the year. Refunds are expected to be made in late 1981.

Electric Rate Structure

During 1980, the PSC undertook several investigations into electric rate structure and alternative pricing methods.

The commission ordered all Florida electric utilities to eliminate declining block rates from their tariffs by April, 1981. The order stated that the commission has "established five goals to help point us in the right direction when restructuring rates. They are conservation of electricity, reduced oil usage in Florida power plants, efficient costs of providing energy needs and equity in pricing. While declining block rates have served a purpose in the past when the cost of fossil fuel was much less, fuel supplies in relation to demand were much better, and economies of scale were working in the consumer's favor, the present outlook for oil-fired units and the time needed for conversion to more nuclear or coal-fired units does not permit the continuation of declining block rates."

If a customer's rates will be increased by more than 20 percent by the replacement of declining block rates with flat rates, the utility may phase the flat rates in on that particular rate schedule over a 12-month period.

After four days of hearings, in which 24 witnesses were heard resulting in 1,500 pages of transcripts, the commission made a decision in May, 1980, on the show cause to electric utilities concerning peak load pricing for general service customers.

The four major electric utilities were required to offer optional time-of-day rates with cost-related differentials for all customer classes on a first-come-first-serve basis subject to meter availability. The commission's order stated that, "After we have had some experience with these four investor-owned utilities, we will consider how to implement peak load pricing for the other Florida electric utilities."

The order further stated, "While it may be difficult at this time to determine the result of using time-of-day rates, we do not think it should preclude our moving ahead given the clear cut objectives which it appears peak load pricing can accomplish. There has been presented sufficient evidence indicating there is some elasticity in customer response to a change in rates which will result in a benefit to the utility and thus to the customer. The effect on the electric utilities' operational characteristics caused by implementation of

time-of-day rates depends, of course, on the scope and timing of implementation, the rate differentials set between time periods, and the customer's reaction thereto."

The time-of-day tariffs originally filed by the utilities did not provide the sufficient back-up data requested by the commission and the utilities were ordered to refile and show cause why they should not be fined for not providing the required information originally. This show cause order reaffirmed the commission's commitment to time-of-day pricing: "We think time-of-day pricing is an appropriate tool for dealing with the energy crisis and the inflated cost of building new capacity and intend to press on with it until it is proven to be otherwise."

The commission established on-peak and off-peak hours and the utilities filed appropriate time-of-day tariffs effective January 1, 1981.

The commission required utilities to provide information to their customers on time-of-day rates through billing inserts for a six-month period. The inserts show bill comparisons for a typical month. The companies will also provide information to customers when requested on annual consumption, on and off peak usage and bill comparisons.

An investigation into the feasibility of requiring electric utilities in Florida to implement lifeline rates and budget billing was initiated in 1980, and hearings on the matter were held in October, 1980. In February, 1981, the PSC determined that it would not approve lifeline rates since they were not cost based. The major utilities were required to offer optional budget billing plans.

Fuel Adjustment Changes

The commission established a new electric utility fuel adjustment procedure which eliminates the month-to-month variation in the charge. The new fuel adjustment uses six-month projections of fuel costs and kilowatt hour sales to calculate a constant charge per kilowatt hour for each utility for the six-month period. A true-up provision, with interest, is applied to the subsequent period to correct for any error in the projection.

The procedure also includes a reward/penalty incentive plan to encourage utilities to operate their generating facilities in the most fuel efficient manner possible. The new fuel adjustment formula with the incentive plan is the first of its kind in the nation.

A commission order regarding the plan stated:

"Throughout nearly all of 1980, this docket has concerned the investigation and implementation of a fuel cost recovery clause based upon projections of fuel expenses and kilowatt hour sales, with a built-in true-up mechanism. Following public hearings, we authorized the first projected charges to take effect during the period April - September, 1980.

"Throughout the investigation we have emphasized our determination to incorporate within the clause an explicit formula designed to provide the utilities a monetary incentive to operate their generating units as efficiently as possible and thus minimize fuel costs borne by their customers."

The generating performance incentive factor is designed to encourage the improvement of the productivity of base load generation units by focusing upon areas of heat rate and unit availability. The maximum reward/penalty is plus or minus twenty-five basis points (.025%) of each utility common equity as shown on their financial statements.

Power Plant Site Application

During 1980, Tampa Electric Company filed an application for approval of its Big Bend No. 4 power plant site. At a December 18 hearing, the PSC voted that the Big Bend coal fired unit is "needed" regardless of whether or not kilowatt conservation goals are achieved.

The evidence was convincing that building Big Bend No. 4 may be cheaper than not building the unit because coal is so much cheaper than oil. Whether or not a kilowatt "need" in the traditional sense exists, having this additional coal fired capacity will mke it possible to reduce oil imports.

A final PSC report was filed with the hearing examiner in January, 1981, and the Department of Environmental Regulation will proceed with hearings on environmental impact. After the environmental hearings, certification will be decided by the Governor and Cabinet.

National Recognition for Energy Broker

In 1978, a "power broker" system initiated by the Public Service Commission was implemented in Florida. With this concept, each electric utility in the state gives a buy quote and a sell quote for a certain amount of kilowatt hours each hour to the "broker," which is actually a computer. The quotes are based on hourly marginal costs. The broker then matches buying utilities and selling utilities so as to produce the lowest cost kilowatt hours. Savings for Florida were $16 million during 1978, $22 million during 1979, and $38 million for the 12 months ending August, 1980.

The U.S. Department of Energy hired a consulting firm to study Florida's power pool systems. In 1980, the Economic Regulatory Administration of the DOE conducted workshops in St. Louis and San Francisco for the purpose of having the Florida PSC staff explain power pooling concepts to other states. Particular emphasis was placed on the Peninsular Florida Generation Expansion Planning Study, the Peninsular Florida Central Dispatch Study, and Florida's energy broker concept. As a result of these workshops, an energy broker has been implemented in Missouri, Kansas, and most of the western United States.

In September, 1980, the U.S. Department of Energy Economic Regulatory Administration issued a Certificate of Appreciation to the PSC for the success of the workshops and the energy broker.

The commission is also working on a "superbroker" concept. The superbroker is a method of broker operations extended to include peninsular unit commitment scheduling. Current energy broker operation requires the buying utility to have on-line generating capacity to replace the purchased magawatts should the selling utility experience a generating unit failure. With superbroker operation, the back-up generating capacity requirment would be assigned on a peninsular basis instead of on a utility-by-utility basis. The potential savings, in dollars

ıd oil, of assigning unit commitments on a peninsular ısis are very large.

Florida Energy Efficiency and Conservation Act

The Florida Energy Efficiency and Conservation Act, ıssed by the 1980 Legislature, is the statutory framework r a comprehensive approach to electric and gas energy nservation.

The act required the commission to adopt goals for the ate to reduce the growth rates of weather sensitive peak mand, oil consumption and kilowatt hour consumption. ıe commission held extensive workshops and hearings ıring the last half of 1980 to develop the information ecessary to adopt comprehensive and rational nservation goals.

One primary factor forcing increases in electric nsumption in Florida is population growth. Historically, e rate of growth in peak power demands has exceeded the te of growth in residential customers. To reverse this end, the commission adopted the goal of reducing the te of growth in peak power demands to 72.25% of the rate growth in residential customers by 1989. To insure that e per unit cost of electricity in the long term decreases om what it otherwise would be, the commission specified at the rate of increase in kilowatt-hour consumption all be larger than 72.25% but less than the rate of crease in residential customer growth

Another specific goal adopted by the commission garded energy audits. By 1982, energy audits are to be rformed statewide at the rate of 150,000 per year and by 84, this rate is to increase to 250,000 per year. The ımber of audits to be performed annually by each utility as determined by proportioning the statewide number of ıdits by the number of residential customers who used ore than 9,000 kilowatt hours annually for a given utility the statewide number of residential customers whose nsumption exceeded 9,000 kwh in 1979.

The conservation act expanded to a large degree the ergy audit requirements previously adopted by the mmission. The PSC's previous energy audit rules plied only to the investor-owned electric utilities. Now l electric utilities in the state as well as the two major ıtural gas companies will be required to offer energy ıdits in accordance with audit rules adopted on ovember 17, 1980.

The goals also included reducing the use of oil as a enerating fuel by 25% by 1989, increasing generating ficiency and integrating nontraditional sources of power to utility service areas.

As required by the conservation act, all electric utilities ıd the two largest gas utilities submitted programs to eet the conservation goals. The plans were subject to SC approval.

In order to be approved, the commission said the plan must meet the goals, be cost effective and able to be monitored.

To help the smaller utilities, the PSC staff developed a 9-point set of programs which was adopted by many utilities in its basic form.

Other Activities Relating to the Florida Energy Efficiency and Conservation Act

The bill appropriated $3 million for research to provide data on conservation matters. A study of the relationships between highly efficient devices such as waste heat recovery systems, heat pumps, systems based on renewable sources and existing utility systems and for the demonstration projects required to provide the data base for this study was undertaken. When this work is complete, the study will provide the data necessary for sound decisions regarding alternatives to costly power plant construction.

The bill also credited $1 million to the Florida Energy Trust Fund for the PSC to engage in "educational, public awareness and related development and demonstration projects" on the subject of energy and energy conservation particularly pertaining to electric and gas utilities.

The Public Service Commission earmarked $635,000 for the purpose of educating the public on electric power demands in Florida, what is expected to happen to bills if peak demand is not reduced, the availability of energy audits, etc.

Bids were received on November 20th. On December 30, the commission selected a Jacksonville public television station, WJCT, Inc., to handle the public awareness promotion. WJCT's bid was for $557,910, and the projects began shortly after January 1, 1981.

A rule was proposed, pursuant to the conservation act, allowing the commission to use up to $5 million of its trust fund to guarantee loans made by utilities to customers who install systems to cut weather sensitive peak demand.

The bill allows the commission to adopt a conservation adjustment clause for utilities to recover their conservation-incurred expenses without full ratemaking proceeding. A rule was approved by the commission on December 17, 1980. The rule gives the companies authority to seek to recover costs for energy conservation programs and provides that the commission will dispose of petitions for cost recovery "in the same manner and within the times applicable to the fuel cost recovery clause."

Included in the rule is mention of an incentive factor for investor-owned utilities to exceed their conservation goals. The details of the incentive factor must be finalized by April 1, 1982, in order to apply to the goals achieved or not achieved in calendar year 1981.

A Rate Case—What's Involved

The Florida Public Service Commission, under state law, is charged with the regulation of rates and service of private, investor-owned utilities which serve the public of this state. Florida Statutes direct the commission to set rates for regulated utilities that allow a reasonable rate of return on an approved investment, conditioned by the quality of service rendered to utility customers.

Any change involving increases in utility rates is initiated by the individual utility, or in certain cases, through an association or agency.

Reductions in rates are usually initiated by the commission through its "continuing surveillance program."

When a utility petitions the commission for a rate increase, the company is required to file minimum informational requirements concerning its operations, expenditures, assets, etc. Additional information and material is required by the commissioners, staff and active intervenors as the rate case progresses. This material is carefully examined by the commission's technical staff of attorneys, accountants, rate analysts and engineers.

Public hearings are held in major cities located within the areas affected by the petitioning utility's services. During these hearings, customers of the utility are invited to attend and testify before the commission as to the quality and adequacy of service being provided by the utility.

The commission staff, after evaluating all testimony and evidence derived from the utility's corporate officers, makes a recommendation to the commissioners on a fair rate of return.

The rate of return is determined from the amount of money invested by the utility in its "rate base". The rate base is defined as the total original cost of operative property devoted to public service, minus accrued depreciation of such property plus a reasonable allowance for working capital. Thus, regulated utilities actually operate at cost plus the rate of return allowed by the commission.

Upon the vote of the commissioners, an order is issued setting the maximum rate of return the utility may be allowed to earn on its investment. The utility cannot exceed the maximum allowable rate of return. Also, the allowed rate of return does not "guarantee" the utility will actually make that rate of return.

The utility then files with the commission its suggested schedules of rates and charges. The commission reviews them and may suggest revisions to reflect commission policy. Then, if they are found to be satisfactory, they are approved and permitted to become effective.

Executive Director

David Swafford
Executive Director

The executive director is, essentially, the chief of staff of the commission with general responsibility over the technical and administrative operations of the commission. He coordinates the activities of the departments, is responsible for the implementation of commission policies, arranges hearings and conferences, and makes recommendations for the development and articulation of policy questions. The executive director serves with the general counsel in coordinating interagency and legislative liaison, and consults with and advises the commission on economic and governmental matters.

* * *

With expanding emphasis on developing clearly defined written policies and procedures, the workload of the office of the executive director has increased dramatically. The office was reorganized in early 1980 to include a second deputy executive director. William Talbott is deputy director over the technical departments, including the communications, electric and gas, water and sewer, auditing and financial analysis, research and management studies and rail transportation departments. Jay McGlon is deputy director over the administration and consumer affairs departments, the commission clerk, and the offices of information processing and transportation regulatory planning.

This division of executive duties helps to facilitate the flow and efficiency of the commission's workload, as well as providing the proper direction and leadership for the staff. Legislative and interagency liaison work is also done by the executive director.

A case manager, who reports directly to the executive director, was established in late 1979 to further aid in expediting the movement of docketed cases through the commission. The case manager is responsible for the planning and development of systematic procedures for handling and processing all cases and for the development of appropriate manuals depicting staff operating policies and systems. The case manager also assists in assignment of cases and reports to the executive director on the overall status of case load, especially on older or delayed cases.

Jay McGlon
Deputy Executive Director

William Talbott
Deputy Executive Director

General Counsel

The office of general counsel is responsible for the legal functions of the commission. This includes preparing notices, recommendations and orders; attending hearings; participating in matters before state and federal courts; advising the commission on all matters under PSC jurisdiction; promulgating rules and regulations; acting as interagency and legislative liaison in cooperation with the executive director; and advising the commissioners on matters of policy, procedure and law.

* * *

Arthur Canaday
General Counsel

Much of the General Counsel's workload during 1980 focused on Sunset legislation and rulemaking.

All of the commission's legislative authority was scheduled to sunset in 1980 unless reenacted by the Legislature. Starting in 1979 and proceeding through June 1980, the staff of the General Counsel's Office, working with the commissioners, the technical staff and the legislature, rewrote and helped with the reenactment of legislation continuing the regulation of electric and gas, telephone, railroads and water and sewer utilities in Florida. Trucking regulation was not reenacted and the Governor vetoed a bill which would have continued the regulation of radio common carriers. The Legislature deregulated the telegraph industry and intrastate air carriers. The commission's safety jurisdiction over trucking was transferred to the Department of Transportation.

In 1980, the commission took action adopting, amending, or repealing 72 of its rules in 17 chapters of the Florida Administrative Code. In the second half of 1980 alone, the commission totally revised its rules governing the Residential Conservation Service (RCS) Program, adopted energy conservation goals in both emergency and permanent rule form, established regulatory assessment fees by rule for each industry it regulates, set railroad minimum filing requirements (MFR's) and application fees, dealt with rules adopting PURPA regulatory standards, and adopted procedural rules governing determination of need proceedings for transmission line and generating unit siting.

As a result of the commission's reorganization, the Legal Department now serves under the General Counsel. It includes 14 attorneys in three sections corresponding to the major technical departments: water and sewer, communications, and electric and gas.

The Legal Department serves primarily to represent the staff of the commission in proceedings before the commission, the Division of Administrative Hearings, and state and federal courts. In this capacity, the legal department prepares legal memoranda, recommendations, pleadings, notices, and other documents.

To increase the effectiveness of its operations, the Legal Department began during 1981 a six-month study of its organization and procedures. Such an increase in effectiveness is needed if the department is to adequately handle the challenges facing it as a result of major developments in the field of utility regulation. These include such developments as the Florida Energy and Efficiency Conservation Act, the contemplated rewrite of the Federal Telecommunications Statutes, the Federal Communications Commission's review of terminal equipment, and the antitrust suit against the Bell Telephone Company.

William Bilenky
Deputy General Counsel/Advisory

Patrick Wiggins
Deputy General Counsel/Legal

Administration Department

The administration department has over-all responsibilities throughout the commission in areas of internal administration, including accounting, personnel, budgeting, planning, purchasing, commission-owned automobiles, duplicating, mail distribution, and leasing of office space, equipment, etc.

* * *

Administration consists of several sections, each handling a specific area of responsibility. The fiscal section operates a centralized accounting office and keeps detailed accounting records for the entire Public Service Commission. This section is responsible for disbursements and collection of revenue for the commission. The section prepares payrolls, and audits and codes all travel reimbursement vouchers, purchase orders, and invoices for payment.

The personnel section administers all actions regarding recruitment, employment, pay, attendance and leave to ensure the proper application of state personnel rules and regulations.

With the addition of a position to the personnel staff, the PSC has been able to enhance the affirmative action program, advance recruitment efforts, and establish some sound training programs. The personnel office sends job opportunity announcements to other state agencies, state employment services, and universities, as well as to minority-oriented organizations and publications.

The office services section provides mail and duplicating services. In 1980, the PSC spent approximately $5,642 per month for postage compared to $6,486 per month in 1979. PSC duplicating equipment made approximately 302,360 copies per month in 1980 compared to 271,445 copies per month in 1979.

Purchasing functions are also under the office services section. This section is responsible for procurement of all commodities and services required by the commission, disbursement of office supplies, verification and control of long distance telephone service, etc. The following indicates purchasing activities for 1980 in comparison with previous years.

Types of Purchase	1978	1979	1980
Number of bids under $2,500	8	7	5
Number of bids over $2,500	4	5	10
Total amount of bids	$23,554.88	$47,592.98	$51,828.01
Number of supply catalog requisitions	294	564	576
Number of special order requisitions	450	840	334
Number of subscriptions	92	135	101

John Adams
Director

The budget and planning section is responsible for overseeing the commission's legislative budget request during the entire fiscal cycle, including preparation, various stages of review and approval, appropriation, implementation, and monitoring. The commission's operating budget has increased in the last five years from $5.9 million in fiscal year 1974-75 to $10.8 million in 1980-81.

Although the commission operates on a budget which must have approval of the legislature, actual funding for the agency is through a regulatory trust fund which is made up of fees derived from licenses and taxes on regulated businesses. The chart below shows the regulatory trust fund revenues and road tax receipts collected during the 1980-81 fiscal year.

Regulatory Trust Fund Revenues
(Fiscal Year ended June 30, 1980)

Recording Fees	$ 88,972.07
Utilities and Transportation Filing Fees	292,791.81
Auto Transportation Brokers Licenses	104,010.00
Utilities Regulatory Tax	8,746,885.23
Auto Transportation Tax	2,210,488.20
Auto Transportation-Taxicab Administration	24,965.00
Miscellaneous Revenue	125,847.00
Transfers from Road Tax	976,018.26
Refunds and Cancellations	15,429.71
Interest Income	1,648,503.02
Security Deposits	—
Plant Site Certifications	—
U.S. Grants	144,700.00
TOTAL REVENUES	$14,378,610.30

Road Tax Clearing Fund Receipts
(Fiscal Year ended June 30, 1980)

TOTAL ROAD TAX COLLECTIONS	$ 2,909,20. .60

Greg Follensbee
Director

Auditing & Financial Analysis Department

The auditing and financial analysis department serves as the principle advisor to the commission on matters pertaining to taxes, capital recovery, and finance. The department performs audits, issues reports on regulated utilities, and is the official custodian of the annual reports required to be filed by the regulated utilities. The department is also responsible for insuring the consistency of commission policies among the various industries regulated, as they pertain to enonomic research.

* * *

At the beginning of 1980, the accounting department consisted of 69 positions, of which 15 were CPA's and 6 held MBA's. With the commission's departmental reorganization, which took place September 1, 1980, the Auditing and Financial Analysis Department (AFAD) was established. The department consists of 51 positions, of which 14 are CPA's, and 4 have MBA's.

AFAD continued to place emphasis on operational audits. Through October 20, 1980, three operational audits were completed, or nearing completion. An operational audit was performed at Central Telephone on the bidding procedures and awarding of a cable contract. At the conclusion of the audit, three areas were found to need improvement. Each was discussed with the company, and all three areas were changed as the result of the audit.

A cross-sectional operational audit was undertaken in the electric and telephone industries to review the tree-trimming procedures utilized, and an audit of Davie Utilities was undertaken to verify the accuracy of the recording of CIAC.

The majority of staff time in 1980 was taken up reviewing the requests for rate increases by several major utilities, and with the commission's own investigations of Florida Telephone, United Telephone, and Southern Bell. Three major electric rate cases were handled in 1980. In addition, the largest water and sewer case load occurred in 1980.

One major activity in AFAD is the review and procurement of a sophisticated audit retrieval software package. This new audit tool will increase the productivity, efficiency, and quality of future audits.

Regulated Utilities
Operating Statistics for 1980

	Gross Plant In Service	Operating Revenue	Operating Revenue Deduction	Net Operating Income	End of Period Number of Customers
Electric					
Florida Power Corporation	$2,078,396,138	$ 970,173,021	$ 844,278,464	$125,894,557	795,357
Florida Power & Light	4,168,387,000	347,278,000	37,723,000	309,555,000	2,247,668
Florida Public Utilities	15,383,489	20,117,579	19,108,949	1,008,630	15,404
Gulf Power Company	641,780,119	268,714,420	230,882,914	37,831,506	205,831
Tampa Electric Company	1,046,466,832	509,279,822	439,769,681	69,510,141	327,042
Reedy Creek	18,955,094	11,178,118	10,222,161	955,957	438
Total Electric	$7,969,368,672	$2,126,740,960	$1,581,985,169	$544,755,791	3,591,740
Telephone					
Central	$ 241,462,000	$ 88,209,000	$ 69,913,000	$ 18,296,000	134,195
Florida Telephone	364,476,055	115,356,460	89,041,263	26,315,197	178,404
General Telephone	1,913,483,405	676,862,999	536,930,429	139,932,570	1,013,807
Southern Bell	4,846,334,836	2,048,985,110	1.678,502,381	370,482,729	2,676,045
United Telephone	458,358,591	147,834,200	114,034,239	33,799,961	251,748
All Other Companies (13)	360,189,768	116,456,538	84,288,266	32,168,272	217,362
Total Telephone	$8,184,304,655	$3,193,704,307	$2,572,709,578	$620,994,729	4,471,561
Natural Gas					
City Gas	$ 44,552,425	$ 39,374,874	$ 36,644,971	$ 2,729,903	76,235
Florida Public Utilities	16,224,025	18,974,164	18,330,289	643,875	31,530
Peoples Gas	129,563,153	131,054,369	123,366,679	7,687,690	172,200
All Other Gas (11)	61,000,834	56,917,964	54,301,554	2,616,410	63,535
Total Gas	$ 251,340,437	$ 246,296,687	$ 232,618,809	$ 13,702,562	343,500

The Commission Clerk

The commission clerk receives and processes all formal atters filed with the commission and keeps the official cords. The clerk maintains permanent record books, cords the minutes and formal orders of the commission, aintains records on the current status of all pending roceedings, prepares and issues notices of all hearings, rranges hearing sites, and serves all orders. The clerk lso assigns docket and order numbers for all proceedings efore the commission.

* * *

The job of commission clerk is similar to that of a circuit ourt clerk. Just as the commission's rules of practice and rocedure are patterned after those of the circuit courts, the ecords are kept on a docket filing system much like court ases are filed and placed on a court docket.

Each new filing for commission action is assigned a ocket number and a file is established. In 1980, the clerk eceived and set up 779 new docket files.

After a case is filed, card file records are kept showing aily activity of staff work and correspondence. As new orrespondence and legal pleadings are received, the cards re posted as to date, type of filing, names of attorneys and ther data. There were 384 active cases in December, 1980.

As official custodian of the records, the commission clerk aintains control of the central file room. Files are hecked out to the various departments during the period ney are active and are eventually stored as permanent ecords. After several years files are sent to the state rchives for storage.

Orders of the commission are mailed to participants in he various cases and to required lists utilities. Copies are led in the docket files and printed loose-leaf pages are laced in the order books, known as the official record of he commission.

The commission clerk is responsible for arranging earing sites, scheduling court reporters for hearings and ssuing notices of hearings. The clerk also prepares the genda for commission conferences and circulates copies o the staff and other interested parties.

The volume of proceedings before the commission in 980 is in the following charts.

Steve Tribble
Commission Clerk

Number of Orders

Transportation (648) & Utilities (538)	1186
Appealed to Courts	15
Rate Changes (Transportation & Utilities)	157

FORMAL CASES FILED

Air Carriers	2
Freight Forwarders	0
Motor Carriers - Freight	270
Motor Carriers - Passenger	34
Railroads	42
Toll Bridge/Ferry Boat	0
Radio Common Carriers	9
Telegraph	0
Telephone	42
Electric	85
Gas	12
Commission Investigation	7
Rulemaking	20
Water	50
Sewer	33
Water & Sewer	104
Energy	61
Legal (Other courts and agencies)	4
Declaratory Statement Petitions	4
TOTAL	779
Appealed to Supreme Court	15
Oral Arguments held	66

	Cases Docketed Calendar Year	Cases Pending January	Cases Active During Year	Cases Pending December	Number Closed	Orders Issued
976	882	474	1,356	656	700	1,214
977	1,001	656	1,657	744	913	1,365
978	1,032	744	1,776	828	948	1,359
979	1,067	828	1,895	731	1,233	1,822
980	779	731	1,559	384	1,175	1,186

Case Activity Statistics — Calendar Year 1980

END OF	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept. 1980	Oct. 1980	Nov. 1980	Dec. 1980
All Cases Beg. Pd.	731	738	766	796	790	786	746	693	437	369	420	397
New Cases	86	110	118	102	70	48	43	14	27	90	19	52
Restored Cases	5	5	5	9	7	2	3	4	0	1	5	3
Closed Cases (subtract)	85	86	92	121	85	93	100	280	107	43	47	36
All Cases End Pd.	737 *	767	797	786	782	743	692	431	357	417	397	416
Active	636	664	691	694	684	646	597	353	311	361	339	353
Litigation	71	71	73	68	67	69	66	54	32	32	31	27
Monitor	31	31	32	28	35	31	30	30	26	27	27	36
Total All	738 *	766	796	790	786	746	693	437	369	420	397	416
Age of Cases												
Less than 6 months	348	367	398	393	377	340	266	149	131	170	159	177
More than 6 months	163	158	159	163	173	160	172	90	79	82	85	93
More than 1 year	150	165	169	163	160	172	176	121	94	99	85	76
More than 2 years	53	51	45	50	54	51	52	54	39	41	40	41
More than 3 years	15	15	16	12	13	14	18	14	14	16	16	17
More than 4 years	3	4	3	4	4	4	4	4	8	8	7	7
More than 5 years	3	3	3	2	2	2	2	2	1	0	1	2
More than 6 years	0	0	0	0	0	0	0	0	1	3	2	1
More than 7 years	2	1	1	1	1	1	1	1	1	1	0	0
More than 8 years	1	2	2	2	2	2	2	2	1	0	2	2
Total	738 *	766	796	790	786	746	693	437	369	420	397	416
Total more than 2 years	77	76	70	71	76	74	79	77	65	69	67	70

* Small anomalies among totals are due to differences in cut-off dates.

Communications Department

The Communications Department is responsible for providing technical information, advice and assistance in the accounting, engineering and rate areas regarding the regulation of the telephone industry. This includes participation in telephone proceedings dealing with rates, services, construction programs and safety practices. In formal proceedings the department provides analysis of expert testimony and exhibits, develops cross-examination and direct testimony, and prepares recommendations concerning the disposition of matters before the commission.

* * *

Harold Janes
Director

The Communications Department was established when the commission reorganized technical departments in September, 1980. Communications personnel from the rate, engineering and accounting departments were transferred to the new department.

Legislative revisions to Chapter 364, Florida Statutes, also resulted in major changes. Western Union and radio common carrier services were deregulated effective July 1, 1980. Other changes granted the PSC authority to adjudicate toll settlement disputes between companies and transferred authority over private wire services from the PSC to the local state attorney.

Surveillance reviews of the earning levels of six telephone companies (Centel, Florida Telephone, Indiantown, Southern Bell, United and Winter Park) were concluded in whole or in part with resulting refunds of approximately $28 million in 1980, and on-going reductions in local exchange/intrastate toll rates of some $42 million annually.

The commission achieved further progress in the elimination of terminal-per-line central office switchers. At the end of 1980, there remained only three such units in service in the state, and all of these are expected to be replaced in 1981. Also a controversy with General Telephone was resolved, leading to the implemention of two-party automatic number identification throughout the state.

The Communications Department was also involved in several other telephone matters. The commission contracted for and initiated an independent cost-of-service methodology study to develop a uniform procedure for the determination of the costs of regulated communications services throughout the state. Action was initiated to ensure compliance with the provisions of the Federal Communications Commission dealing with the prospective deregulation of terminal equipment, and an investigative proceeding dealing with toll revenue distribution methodology was begun.

During 1980, service evaluations were concluded in the Southern Bell, Southland, Florala and St. Joe Telephone Company service areas. The study results, for the most part, show that service quality meets or exceeds commission standards.

A summary of service evaluation results in percent of call completions for the period 1977-1980 is as follows:

	1977	1978	1979	1980
Intra-Office Calls	99.7%	99.6%	99.7%	99.4%
Inter-Office Calls	99.5	99.8	98.8	99.6
Extended Area Service	99.2	99.1	98.6	99.0
DDD-Company[1]	97.3	97.9	98.1	97.5
DDD-State[1]	95.9	96.4	96.4	95.0

[1]Direct Distance Dialing

Viewing these results on an area code terminating basis reflects the following:

Area Code	1977	1978	1979	1980
305	96.507%	97.141%	96.294%	95.716%
813	96.385	97.071	97.634	96.171
904	96.418	96.359	96.643	95.877

Likewise, analysis of portions of this data on Independent Company vs. Bell System basis results in the following:

	1977	1978	1979	1980
Independent	96.3%	96.6%	96.3%	95.86%
Southern Bell	96.6	97.1	96.5	95.92

A summary of call completions by terminating companies is shown in the following chart for the period 1977 through 1980.

Percent Call Completion Summary by Terminating Company

Company	1977 Calls	1977 %	1978 Calls	1978 %	1979 Calls	1979 %	1980 Calls	1980 %
Central	4406	95.5	3103	94.3	8380	96.1	2377	94.8
Continental	2125	97.0	1307	96.3	2822	96.7	1140	96.0
Florala	280	96.1	205	94.6	444	97.5	124	92.7
Florida	5697	96.9	4144	96.7	6352	96.3	3181	96.0
General	15293	96.6	10593	97.4	14267	96.6	8950	96.6
Gulf	259	91.5	263	98.9	456	98.2	192	94.8
Indiantown	103	97.1	146	100.0	170	97.1	63	92.1
Northeast	432	97.0	151	99.3	292	97.6	142	96.5
North Florida	3876	95.8	4079	97.2	4679	96.4	1887	96.2
Orange City	539	92.9	374	94.9	783	95.7	246	95.5
Quincy	823	96.4	563	97.2	1290	95.6	429	93.5
St. Joseph	1863	95.8	1276	94.5	2735	95.7	809	94.7
Southern Bell	17459	94.9	14513	95.9	60596	96.5	7794	92.3
South Georgia	414	95.2	299	97.0	673	96.7	242	97.5
Southland	567	93.8	393	95.2	823	95.0	376	96.3
United	4173	96.5	4021	96.1	6810	96.1	3196	94.9
Vista Florida	377	97.9	298	96.0	644	96.3	222	95.5
West Florida	585	95.7	413	97.1	805	96.8	317	95.9
Winter Park	1576	95.9	1203	96.2	2461	97.7	758	95.1
Totals	60847	95.9	47344	96.4	115482	96.4	32445	95.0

Telephone Company Summary

Company	Number of Florida Exchanges	Florida Main Stations and Trunks	Percent of State Total	Main Station Percent Growth from Previous Year
Central	20	133,796	2.92	4.1
Continental	13	13,697	.30	4.0
Florala	2	1,394	.03	4.9
Florida	34	178,404	3.89	8.9
General	24	1,099,582	23.96	5.2
Gulf	2	5,760	.13	8.3
Indiantown	1	1,512	.03	10.3
Northeast Florida	2	3,547	.08	9.5
North Florida	26	33,640	.73	4.8
Orange City	1	8,004	.17	14.2
Quincy	3	6,949	.15	1.7
St. Joseph	14	15,487	.34	4.1
South Georgia	0	56	.00	1.8
Southern Bell	100	2,734,538	59.59	5.6
Southland	2	1,615	.04	3.0
United	30	251,748	5.49	9.8
Vista Florida	1	2,375	.05	23.0
West Florida	2	5,999	.13	2.1
Winter Park	1	90,728	1.98	6.1
Total	278	4,588,831	100.00%	5.8

Consumer Affairs Department

George Hanna
Director

The Consumer Affairs Department has the primary responsibility for consumer relations and communications. This involves investigating and resolving consumer complaints, issuing news releases concerning commission decisions and studies, preparing statistical summaries on consumer complaint activity, developing educational presentations for consumer and civic organizations, preparing testimony for rate cases on complaint activity, and participating in or initiating other dockets on consumer matters.

* * *

The Consumer Affairs Department experienced its greatest workload ever in 1980. The department handled a total of 61,658 complaints and inquiries, 14,644 of which were logged complaints investigated by the department. In comparison, 56,118 complaints and inquiries were received in 1979, with 11, 688 logged complaints.

The number of logged complaints increased 25.29% from 1979 to 1980 and increased 81.67% since 1977. Other inquiries and unlogged complaints increased 5.82% from 1979 to 1980 and increased 31.09% since 1977.

The department operates a toll-free WATS telephone line for citizens with problems involving regulated utilities. Through this service, consumers who have first contacted the utility and have received no assistance may call the commission directly. A staff member will discuss the problem with the consumer and, if necessary, initiate an investigation in the consumer's behalf.

The Consumer Affairs Department has personnel in field offices in Tampa, Miami, and Ft. Lauderdale to further assist consumers with local utility problems.

The department has also expanded its activities to include participation in rate cases through presenting studies and evidence on complaint activity regarding the utility involved, and has begun a complaint evaluation procedure to analyze responsibility, whether the customer was justified in contacting the commission, the degree of customer satisfaction obtained, and the adequacy of the response made by the utility.

During 1980, the department prepared testimony and exhibits for introduction into five rate cases concerning complaint activity against the utility in question. The testimony included a breakdown of the type of complaints, the customer's justification in contacting the commission, and comparative figures with other companies in the same industry. The department also participated in three PURPA rule dockets and in rewriting of Chapter 25-4, Telephone Rules, in coordination with the technical departments.

Consumer Affairs was also more active on energy conservation matters during 1980. A complaint specialist was established on a full-time basis at the Caleb Community Center in Miami to provide energy conservation information and assist residents with complaints. The department also published a book, *Energy and The Florida Consumer*, which provides facts and information concerning energy-related issues and lists Florida sources where further information may be obtained.

Electric Utilities
Complaints Per 1,000 Customers

	FPC	FPL	GULF	TECO
Jan.	.039	.067	.021	.049
Feb.	.038	.043	.046	.043
March	.035	.062	.036	.062
April	.073	.082	.021	.043
May	.044	.130	.026	.033
June	.042	.126	.036	.062
July	.050	.161	.005	.115
Aug.	.092	.159	.026	.059
Sept.	.068	.150	.026	.059
Oct.	.082	.144	.046	.072
Nov.	.046	.096	.036	.043
Dec.	.042	.092	.021	.030

Monthly Comparison of Complaints
LOGGED BY DEPARTMENT OF CONSUMER AFFAIRS - 1980

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Yearly Total
Telephone													
Central	12	17	11	26	21	28	36	28	32	16	26	13	266
Continental	6	5	1		5	4	5	1	2	3	2	1	35
Florala	-	2	-	-	1	-	1	-	-	-	-	-	4
Florida	12	9	12	21	12	11	17	18	14	11	19	13	169
General	158	144	145	171	129	139	178	184	168	165	138	152	1,871
Indiantown	-	-	-	-	-	-	-	-	-	1	1	-	2
Northeast	2	2	-	-	1	-	-	2	3	-	-	1	11
North Florida	3	3	5	7	5	7	4	5	7	10	7	4	67
Orange City	4	9	5	5	2	3	16	6	4	6	1	10	71
Quincy	2	-	1	1	2	1	1	1	1	1	1	1	13
St. Joseph	5	2	-	7	1	2	4	2	5	1	3	1	33
Southern Bell	867	537	502	453	591	547	610	686	728	775	632	616	7,544
United	22	16	17	12	12	9	19	14	14	18	13	29	195
West Florida	-	-	2	1	-	-	-	1	-	1	-	-	5
Winter Park	16	11	11	7	10	9	6	4	6	8	9	10	107
Gas													
City	19	14	10	5	20	15	9	10	11	18	12	16	159
Peoples	16	18	11	12	15	15	12	18	11	11	15	13	167
Other	3	2	-	-	5	5	3	3	4	2	2	4	33
Electric													
Florida Power	29	28	26	54	32	31	37	68	50	60	34	31	480
Florida Power & Light	204	154	195	171	270	262	333	330	311	299	200	190	2,919
Florida Public Utilities	-	1	5	-	-	1	-	2	-	-	1	2	12
Gulf	4	9	7	4	5	7	1	5	5	9	7	4	67
Tampa	15	13	19	13	10	19	35	18	18	22	13	9	204
Other													
RCC	1	1	-	1	-	3	-	-	-	-	-	-	6
Water & Sewer	17	18	19	12	18	17	17	8	16	10	4	10	166
Western Union	4	1	5	2	9	-	2	3	4	3	5	-	38
Complaints Logged	1,421	1,016	1,009	985	1,176	1,135	1,346	1,417	1,414	1,450	1,145	1,130	14,644
Complaints Closed	1,581	873	745	1,040	1,079	935	1,204	1,152	1,177	1,432	1,161	825	13,204
Other Inquiries	3,841	3,285	3,834	4,920	3,920	4,008	4,127	4,018	3,797	4,225	3,529	3,510	47,014

Telephone Complaints
Per 1,000 Florida Main Stations and Trucks

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Central	.093	.132	.086	.202	.163	.218	.280	.218	.249	.125	.202	.101
Continental	.456	.380	.076		.380	.304	.380	.076	.152	.228	.152	.076
Florala		1.505			.752		.752					
Florida	.073	.055	.073	.128	.073	.067	.104	.110	.085	.067	.116	.079
General	.151	.138	.139	.164	.123	.133	.170	.176	.161	.158	.132	.145
Gulf												
Indiantown										.729	.729	
Northeast	.618	.618			.309			.618	.927			.309
North Florida	.093	.093	.156	.218	.156	.218	.125	.156	.218	.312	.218	.125
Orange City	.571	1.285	.714	.714	.285	.428	.284	.856	.571	.856	.143	1.427
Quincy	.293		.146	.146	.293	.146	.146	.146	.146	.146	.146	.146
St. Joseph	.336	.134		.470	.067	.134	.269	.134	.336	.067	.202	.067
Southern Bell	.293	.171	.150	.175	.228	.211	.236	.265	.281	.299	.244	.238
Southland												
United	.096	.070	.074	.052	.052	.039	.083	.061	.061	.079	.057	.127
Vista Florida												
West Florida			.340	.170				.170		.170		
Winter Park	.187	.129	.129	.082	.117	.105	.070	.047	.070	.094	.105	.117
STATE-WIDE	.231	.153	.138	.164	.183	.175	.207	.220	.227	.234	.197	.196

Electric and Gas Department

Joseph Jenkins
Director

The Electric and Gas Department is responsible for providing technical information, advice and assistance in the accounting, engineering and rate areas regarding the regulation of the electric and gas industries. The department handles electric and gas service matters through its safety, conservation and energy audit, system planning, and fuel procurement and power efficiency sections. The department is responsible in formal proceedings for analysis of testimony and exhibits, developing cross-examination and direct testimony, and preparing recommendations concerning the disposition of electric and gas matters.

* * *

The Electric and Gas Department was established when the commission reorganized September 1, 1980. The department is divided into six sections: conservation and energy audit section, system planning section, power plant efficiency and fuel procurement section, safety section, accounting section and rate section.

Some of the major activities and matters in which the Electric and Gas Department was involved during 1980 are listed below.

Cogeneration

Cogeneration embodies two concepts: the sequential use of energy where waste industrial process steam is used to generate electricity, and small power production. Both concepts entail dispersed electrical generating units that are electrically inter-connected to the state-wide transmission grid and operate synchronously with electric utility generating units.

The 1978 Public Utilities Regulatory Policy Act requires each state regulatory agency to adopt cogeneration rules. The Electric and Gas Department worked on proposed rules during 1980 and early 1981.

Energy Broker and Superbroker

Florida's energy broker continued in operation in 1980, resulting in savings of $38 million for the 12 months ending August, 1980.

The Economic Regulatory Administration of the U.S. Department of Energy conducted workshops in St. Louis and San Francisco for the purpose of having PSC staff explain power pooling concepts to other states. As a result of these 1980 workshops, an energy broker was recently implemented in the western United States.

In September, 1980, the U.S. Department of Energy Economic Regulatory Administration issued a Certificate of Appreciation to the PSC and Electric and Gas Director Joe Jenkins for the success of the workshops.

The Electric and Gas Department is also working on a "superbroker" concept. The superbroker is a method of broker operations extended to include peninsular unit commitment scheduling. Current energy broker operation requires the buying utility to have on-line generating capacity to replace the purchased megawatts should the selling utility experience a generating unit failure. With superbroker operation, the backup generating capacity requirement would be assigned on a peninsular basis instead of on a utility-by-utility basis. The potential savings, in dollars and oil, of assigning unit commitments on peninsular basis are very large.

Conceivably, a generating unit start-stop schedule which would minimize expected fuel costs for the coming week could be developed each Saturday. This start-stop schedule is referred to as a unit commitment schedule. The fuel cost minimization would be on a peninsular basis without regard to which utility owned which generating unit. Savings would result from fewer start-ups, which for a large steam unit can be five to ten thousand dollars per start. Once experience is developed with weekly unit commitment schedules, longer term scheduling could be developed to produce even greater savings. This development could take place fairly rapidly, since maintenance schedules are already coodinated on a peninsular basis. As with the current broker, a scheme would have to be devised to allocate the savings among participating utilities. Some systems are currently "overcommitting" units for the purpose of making an economy interchange sale.

Another advantage of superbroker operations is increased system reliability. By using a simulation and through constant practical experience, the system dispatchers should increase the ability of the peninsular grid to respond to electrical transients without service interruptions. More important, the system would be much better able to replace the capacity of a unit lost for some time with the most economical available power.

The superbroker may have to be approached gradually, however, given the difficulty of obtaining agreement among all systems on a contract and the possibility of extended litigation before FERC.

TECO Plant Site Application

In early 1980, Tampa Electric Company applied for certification of a 417 megawatt net coal-fired plant, Big Bend Unit 4. At a December 18 hearing, the PSC ruled that the unit is "needed" regardless of whether or not the kilowatt conservation goals are achieved.

The evidence was convincing that building the plant may be cheaper than not building it because coal is so much cheaper than oil and the additional capacity will make it possible to reduce oil imports.

Declining Block Rates

The commission ordered that declining block rates for all electric utilities must be eliminated by April 1, 1981.

Peak Load Pricing

The commission adopted optional time-of-day rates for the four investor-owned electric utilities. Uniform on-peak/off-peak hours were set for all utilities to reflect the "power broker" concept of interchange among utilities and the fact that the PSC determines kilowatt "need" on a peninsular basis. Time-of-day rates were required to be offered by January 1, 1981.

Cost Recovery Clause

On March 27, 1980, the commission adopted a projected fuel and purchased power cost recovery clause with an incentive factor because the old clause did not provide clear and distinct incentives for utilities to operate their generating units efficiently and because the two-month lag in the cost recovery clause resulted in both under and over collections. The new clause operates on six-month projections of fuel costs in March and September of each year. True-up adjustments, with interest, are made for the prior six months in April and October of each year.

The incentive factor is a 0 to ±10 point scale which provides a reward or penalty when a utility exceeds or fails to meet predetermined generating unit efficiency (heat rate) and availability targets. To our knowledge, the Florida Public Service Commission's incentive factor is the only incentive factor in the nation which does not penalize a utility for purchasing lower cost electrical energy. This is a key point in Florida where energy brokering and "coal-by-wire" import to displace imported oil is practiced to the maximum extent possible.

Central Dispatch Study

Pursuant to PSC order, the Florida Electric Power Coordinating Group (FCG) initiated the Peninsular Florida Central Dispatch Study several years ago. This study was completed on May 14, 1980, at a cost of some $500,000. The complex study included over 1.5 million elements of data. Sixteen FCG member utilities, representing over 99% of the generating capability in peninsular Florida, participated.

An "as dispatched system" of each utility was developed on an hourly basis for the calendar year 1978 employing actual system data. A central economic dispatch for peninsular Florida was developed for the calendar year 1978 within the existing transmission and area protection constraints, including unit commitment and transmission loss calculations.

The study indicated a $20 million fuel cost saving under 1978 conditions attributable to centralized dispatching that, for study purposes, was allocated among the participating systems. To compare the benefits of central dispatching to the current method of dispatch operation, two computer simulations were developed, the central dispatch and the "as dispatched" simulations. The results of the individual "as dispatched" simulations were aggregated to form the peninsular Florida results which were compared to those from the central dispatch simulation.

One benefit of the study was the insight participants gained regarding the ramifications of the method of allocation. One system, because of the study's allocation method, received a negative benefit for the year although the peninsular benefit was positive. Many systems experienced a negative benefit for various months of the year.

Under current law, Federal Energy Regulatory Commission (FERC) approval is required for the allocation method. All of the systems must agree to the allocation method and seek approval in a unified action. However, the exact impact of each system cannot be fully known in advance. Therefore, the systems are in the position of having to commit to something without fully understanding its impact on them. Two alternatives are to either delegate FERC authority to the commission for the peninsular pool, since it is wholly intrastate, or to deregulate intrastate wholesale sales entirely. The Electric and Gas Department is actively investigating the matter.

Conservation Goals

A large portion of time and man-hours in the Electric and Gas Department during 1980 was spent on the requirements of the Florida Energy Efficiency and Conservation Act. A summary of action taken on the conservation goals and other related activities is included on page 8 of the summary of PSC activities.

The Conservation Act established a stringent timetable and the commission and staff worked hard to meet the required deadlines. Emergency conservation rules were adopted, permanent rules were adopted, utility energy plans were filed, rejected and resubmitted during the six months from July 1 through January 1.

Typical Gas Bill Comparison

Residential Services
January 1, 1981

Utility	Minimum Therms	Bill Amount	10 Therms	25 Therms	40 Therms	50 Therms	100 Therms
Central Florida Gas Corporation	2	$ 1.65	$ 5.92	$ 12.34	$ 18.81	$ 23.13	$ 44.71
City Gas Company of Florida	5	2.75	9.38	16.52	22.61	26.55	42.67
Florida Public Utilities	0	2.62	7.69	14.81	21.51	25.38	41.69
Gainesville Gas Company	0	5.00	8.10	12.75	17.41	20.51	36.03
Gulf Natural Gas Company							
Panama City Division	4	2.50	5.36	10.66	15.76	19.10	35.18
Ocala Division	4	2.50	5.66	11.51	16.96	20.30	36.68
Indiantown Gas Company	4	2.50	5.96	12.78	19.09	23.13	41.75
Miller Gas Company	0	3.09	7.80	14.86	21.24	25.09	44.34
Peoples Gas System, Inc.	0	3.00	7.81	14.03	19.75	23.56	41.61
Plant City Natural Gas Company		2.25	6.14	11.97	17.79	21.38	39.31
St. Joe Natural Gas Company, Inc.	4	1.90	4.80	10.22	15.44	18.86	35.34
Seacoast Gas Company	0	3.00	8.26	15.96	23.52	28.55	53.75
Southern Gas Company	0	3.00	7.44	14.10	20.76	25.21	42.61
South Florida Natural Gas Company	5	2.45	5.79	13.20	20.56	24.74	44.24
Timberland Utilities	5	3.16	6.24	13.80	19.46	22.60	38.26

1972 - 1980

Florida Annual Average KWH Per Customer

Residential Electric Service - All Schedules

Year	FP&L	FPC	TECO	GULF	FPU-M[1]	FPU-F[2]	RCU[3]
1972	11367	10277	11657	11826	8610	9182	N/A
1973	12024	11459	12852	12638	9264	10198	17000
Change 73/72	6%	12%	10%	7%	8%	11%	N/A
1974	11215	9758	12118	12212	9340	9276	16366
Change 74/73	(7%)	(15%)	(6%)	(3%)	1%	(9%)	(4%)
1975	11127	9701	12150	12187	9575	9785	20177
Change 75/74	(1%)	(1%)	0%	0%	3%	5%	23%
1976	10968	9932	11952	12913	9952	10206	20939
Change 76/75	(1%)	2%	(2%)	6%	4%	4%	4%
1977	11370	10604	12590	13220	10568	10950	23635
Change 77/76	4%	7%	5%	2%	6%	7%	13%
1978	11790	10895	12792	13341	10757	11396	24239
Change 78/77	4%	3%	2%	1%	2%	4%	3%
1979	11354	10496	12271	2868	10217	11199	27056
Change 79/78	(4%)	(4%)	(4%)	(4%)	(5%)	(2%)	17%
1980	11473	10643	12384	12959	10720	11189	28306
Change 80/79	1%	1%	.9%	.7%	5%	(.09%)	5%
Change 80/72	.9%	3.6%	6%	9.6%	24.5%	21.9%	N/A

[1] Florida Public Utilities Company - Marianna Division
[2] Florida Public Utilities Company - Fernandina Division
[3] Reedy Creek Utilities

Natural Gas Accidents

Year	No. of Systems Reporting	No. of Incidents	No. of Injuries	No. of Fatalities	Estimated Property Damage	Construction Damage or Negligence	Gas System Related
1971	3	5	38	1	$150,200	2	3
1972	1	4	0	0	138,000	3	1
1973	7	12	4	0	171,500	11	1
1974	5	10	7	0	29,900	10	0
1975	2	3	0	0	4,300	3	0
1976	4	5	2	2	33,000	4	1
1977	3	9	0	0	12,200	4	5
1978	3	4	1	0	27,800	3	1
1979	7	14	5	1	27,500**	7	7
1980*	12	17	6	6	40,500**	13	4

* January 1 through November 1 figures

** These figures are estimates. Damages are estimated at under $1,000, under $5,000 or in excess of $5,000. In 1978, seven accidents were in excess of $5,000.

Comparison of Electric Bills - Regulated Utilities

Residential Service*
January 1, 1981

Utility	Minimum Bill or Customer Charge $	100 KWH $	250 KWH $	500 KWH $	750 KWH $	1000 KWH $	1500 KWH $	2000 KWH $
Florida Power Corporation	2.50	8.13	17.44	32.22	47.01	60.99	88.98	116.96
Florida Power & Light Company	3.20	7.82	14.76	26.32	37.87	50.79	76.62	102.45
Florida Public Utilities Company**								
Fernandina Division	1.00	10.95	21.06	39.57	57.57	75.55	111.53	147.50
Marianna Division	5.00	9.76	16.91	28.81	40.72	52.62	76.43	100.24
Gulf Power Company***	5.00	10.54	18.00	30.77	43.99	56.99	82.98	108.98
Reedy Creek Utilities Company, Inc.	2.85	9.38	19.16	35.48	51.78	67.12	97.79	128.46
Tampa Electric Company	5.00	10.51	18.76	32.51	46.26	60.01	87.52	115.02

* Excluding Local Taxes and Franchise Fees.

** Fernandina and Marianna Divisions have an Off-Peak Water Heating Schedule.

*** Summer/Winter Rates in effect - Winter Rates are shown.

Note: January 1981 Fuel Adjustments are included.

Comparison of Electric Bills

South Atlantic Region
Residential Service
July 1, 1980

State	100 KWH	250 KWH	500 KWH	750 KWH	1000 KWH	1500 KWH	2000 KWH	3000 KWH
DC	$ 7.04	$ 15.19	$ 27.76	$ 40.63	$ 55.52	$ 91.44	$ 127.36	$ 199.21
DE	11.93	21.04	36.23	51.41	66.60	96.98	127.35	188.10
MD	9.80	18.07	30.14	42.97	57.16	85.37	113.19	167.97
VA	9.61	17.03	28.76	40.73	52.80	76.65	99.77	145.87
WV	9.82	15.34	25.19	34.50	43.59	61.45	78.47	112.29
NC	8.85	14.86	25.06	35.15	45.08	65.11	84.82	124.25
SC	9.71	16.01	26.52	37.02	47.53	66.18	84.83	122.14
GA	8.43	16.12	27.26	39.32	51.90	77.07	102.24	152.57
FL	8.82	16.44	29.14	41.83	54.55	79.98	105.40	156.25
AVG.	9.31	16.49	27.90	39.45	51.32	74.99	98.27	144.61

Note: All averages shown are arithmetic. All bills contain the appropriate fuel adjustment charge for the month.

Source: Edison Electric Institute
Regulatory Policy Analysis Division

Rail Transportation Department

The primary function of the Rail Transportation Department is to make recommendations to the commission on the economic regulation of rail carriers. The department analyzes each rail tariff filing for consistency, timely filing and reasonableness of rates and rules. Protests and complaints from the public are considered and recommendations are made to the commission. The department analyzes rail applications for abandonment of side and team track, station buildings, station agency closing and status change and makes recommendations. Other departmental functions include investigation of service complaints and of maintenance of rail properties and facilities.

* * *

Paul Mattingly
Director

The Rail Transportation Department was formed as a separate department effective September 1, 1980.

Initially, emergency rules were established to comply with the 1980 statute revisions. The method of processing railroad tariff filings was radically revised to expedite the flow of rail tariff filings and the consideration thereof through the Rail Transportation Department. Minimum filing rules were implemented to expedite processing of filings.

There were three generic cases initiated in 1980 involving trailer-on-flat-car service, phosphate rock, and sand and gravel tariff filings.

Railroad Rules 25-3.01 through 25-3.69 were revised to reflect changes due to the change in statutes. Obsolete material was deleted.

Federal legislation was an important issue in 1980 as Congress passed the Staggers Rail Act of 1980 which had substantial effect on intrastate regulation of railroads. The staff has been actively following changes resulting form this federal legislation and three programs have been started to implement the provisions of the Staggers Act. The programs are formulation of Rail Form "A" Cost for intrastate application, computerization of Rail Form "A" Cost, and preparation of statute changes necessary to comply with the Staggers Act.

Railroad Activities for 1980

General Rate and Rule Filings	251
Ex Parte Increases	3
Fuel Surcharges	2
Complaints	75
Discontinuances	
Agency	12
Mobile Agency Inspections	10
Nonagency	15
Rate and Rule Inquiries	150
Research - Statistical and Economic	50

Research and Management Studies Department

Bill James
Director

This department is resonsible for preparation of studies of policy alternatives, research to determine trends and conditions affecting public utility operations and regulations, studies on rates, electricity, productivity, finances and demand projections, as well as the analysis of the efficiency and effectiveness of management performance in regulated companies. The department is also responsible for in-depth analysis of current and potential problems in utility regulations, for coordinating and directing the utilization of research methods and findings in commission cases, and for presenting reports regarding the results of research studies.

* * *

The Research and Management Studies Department has two distinct areas of responsibility.

The research section is responsible for conducting research projects and preparing studies on all matters affecting the commission and regulated companies.

The section is responsible for the administration and direction of approximately $600,000 in Federal Grants and Cooperative Agreements, including:

1. PURPA Grant on Time-Differentiated Cost of Service Methodologies - $125,000 - Phase I now completed and a RFP is being developed for Phase II.
2. Innovative Rates Task: Metering for Innovative Electric Rates - $170,000
3. Innovative Rates Task: Boiler Efficiency - $73,000
4. Innovative Rates Task: Plant Availability - $127,000

The ELFIN (Electrical Financial) software simulation package was obtained to enable staff members to examine potential costs and benefits of regulatory policy making. The computer program is a highly complex financial model allowing analysts to "model" the "probable outcomes" of numerous and varied financial scenarios that may occur to a particular electric utility.

ELFIN successfully integrates an engineering model based on economic dispatch with a financial model in one package. Outputs include financial and generation statistics, income statements, sources and uses of funds statements, balance sheets, a description of taxes and a table of miscellaneous summary statistics for each year of the simulation. ELFIN was used to develop testimony in the TECO and Gulf Power rate cases. The program is valuable in assisting in answering "what if" types of questions.

The research section maintains a study bank of papers issued by the Public Utilities Research Center at the University of Florida. A file of PURC papers and an updated listing of what is available is kept in this section for commission use.

Research is also responsible for the preparation of economic impact statements for all rule changes and proposed rules within the commission.

In recent years, business firms have been experiencing dramatic increases in operating costs. This development has led to a commission commitment to become more involved in the operating cost efficiencies of regulated utilities. In response to this, the management studies section of the department was formed. One of the section's major functions is to provide the commission with the ability to review and analyze operating costs.

The section is responsible for the analysis of the efficiency and effectiveness of management performance in firms regulated by the Public Service Commission. This analysis is in the form of both over-all and cross-sectional management audits performed by the section in conjunction with private consulting firms. These studies determine how effective and efficient the various regulated companies are in utilizing their human and capital resources. The information is used by the commission in evaluating and regulating the companies to ensure that they are operating in the most efficient and economical manner in the absence of market competition. The studies also identify, for the benefit of the companies studied and their ratepayers, any area where opportunities exist to improve company performance, especially where benefits can be realized.

During 1980, the management studies section completed the first year of a two-year plan to provide the commission with the internal capability of producing management audits. The first year of operation included a comprehensive management audit of Florida Power Corporation and initial training of the Florida Public Service Commission staff by Arthur Young and Company, and a cross-sectional audit of the purchasing functions of four telephone companies and continued training of the staff by Theodore Barry and Associates.

The department anticipates gradually expanding the management audit services offered, with an eventual goal of performing its own management audits without the aid of outside consultants.

Water and Sewer Department

It is the responsibility of the Water and Sewer Department to enforce the statutes and commission rules and regulations governing the operations of privately owned water and sewer utility systems in those counties subject to Florida Public Service Commission jurisdiction. The department is primarily involved with certification of utilities and areas of service as well as regulation of rates and quality of service.

* * *

Dale Knapp
Director

Effective September 2, 1980, the commission reorganized its structure on an industry basis. Certain staff members from the Rate Department, Engineering Department and the Accounting Department were consolidated into the Water and Sewer Department.

The 1980 Legislature took away water and sewer jurisdiciton in Martin and Charlotte Counties and gave the commission jurisdiction over Flagler County. On September 23, 1980, Martin County returned to the commission's jurisdiction. The PSC now regulates twenty-six counties with 654 regulated systems.

In addition, pursuant to Sunset, the Legislature extensively rewrote Chapter 367, Florida Statutes. Some highlights of the new law are establishment of rate base upon sale or transfer; pass-through provisions for ad valorem taxes; establishment of price increase or decrease indicies on or before March 31 of each year; requiring a utility to acquire a certificate before receiving a permit from DER; establishment by order of a minimal authorized rate of return each year; time changes for filing of MFR's; changes in interim rate awards; disallowance of depreciation of CIAC; allow commission to set by rule standards for service availability changes and service availability charges; order interconnections between utilities; and require a utility to provide service for resale.

During 1980, three areas were addressed which enhanced the handling of regulations by the department.

A new rate structure known as the base facility charge was established. The base facility charge is a charge based on the costs necessary to provide service to the customer. It covers related expenses such as depreciation, interest, maintenance of mains and services, etc. The amount of the charges are determined by a meter equivalent formula, using the standard ⅝" x ¾" meter as the base. There are not any gallons included in the base charge.

The second rate step following the base facility charge is a charge for pumping, treating and delivering water to the customer. This gallonage charge covers costs associated with pumping, treatment, billing and collecting, meter reading, rate of return, etc.

The primary reason for supporting this type rate structure is that each customer pays his pro-rata share of the related facility cost necessary to provide the service, and secondly pays for only the gallons actually consumed under the gallonage charge.

The commission also opened a new docket during 1980 to investigate the appropriate level of contributions-in-aid-of-construction which each utility may collect, and established Rule 25-10.180 which sets up a Short Form Rate Case Committee. The committee reviews applications by Class D utilities for staff-assisted rate cases. There are certain established constraints which must be reviewed and met before approval of a staff-assisted rate case. The rule was designed to eliminate high outside accounting, engineering, rate and legal fees for small utilities.

The commission's water and sewer staff co-hosted the 8th annual NARUC water seminar at Florida Atlantic University in November. The registrants were from 23 states and Canada. The meeting provides regulatory staff and industry representatives with information on regulatory problems for water and sewer utilities.

The following charts show the number of water and sewer certificates each year since 1976 and the workload experienced in calendar year 1980:

	1976	1977	1978	1979	1980
Counties Regulated	26	26	26	26	26
Water Certificates	244	258	262	292	264
Sewer Certificates	191	211	215	255	245
Total Systems Regulated	668	708	705	775	642

Formal Rate and Service Investigations and Hearings	97
Rate Investigations	92
Service Investigations	5
New Certificates Processed	23

Office of Case Manager

The Case Manager is responsible for the planning and development of systematic procedures for handling and processing all cases and for the development of appropriate manuals depicting staff operating policies and systems. The Case Manager also assists the chairman in assignment of cases, designates staff offices of primary responsibility, and reports to the executive director on the overall status of case load, especially on older or delayed cases.

The Case Manager's Ofice was established in late 1979, and has expanded its activities in the first full year of operation.

A number of reporting innovations were introduced in 1980, including listing the responsible staff members' names with each case and grouping cases so that active matters receive greater attention while those in litigation or on a monitoring condition are listed and treated separately.

A large number of staff operating procedures were developed and coordinated with staff members, covering areas where no procedures had existed. These included coordinated handling of rate cases, assignment by chairman of cases requiring public hearing, and procedures for handling of confidential information.

The reporting of rate case and total case load movement was intensified and expanded. Charts listing and tracking each of the active rate cases and others giving current and cumulative data on the total caseload have been developed and are displayed in the commission conference room. The information on these charts is supplemented by weekly reports on specific cases which are delayed or off schedule.

Office of Information Processing

During the past two years the commission has emphasized the development of advanced information and analysis capabilities utilizing state-of-the-art computer technology.

Capabilities include the development of a comprehensive Utility Information System which will enhance the commission's ability to analyze such issues as plant expansion, financial condition, cost of service, cost of capital, demand forecasting, rate of return, rate restructuring, and energy conservation; procurement and implementation of computer audit software which will be used to audit, "through-the-computer," the financial records of those companies under the commission's jurisdiction; development of an Internal Management Information System which is designed to assist the commission's managers with the overall planning, programming, and budget process; and development of an improved Case Management and Tracking System which will assist the commission in efficiently managing its case load. This system will provide improved control and security of all legal documents, automatic document distribution, centralized public inquiry capability, case activity monitoring, and case status and exception reporting capabilities.

During 1980, the Office of Information Processing was active in developing new projects, computer programs and data bases, and in obtaining a shared-logic word processing system for the commission.

Office of Transportation Regulatory Planning

The largest expenditure of man-hours in this office from January through June, 1980 was in the review and filing of recommendations on applications for motor carrier authority. Considering the commission's policy at the time of reforming transportation regulation to the extent possible under existing statutes, greater attention was given the applications for certificates of public convenience and necessity.

In early 1980, the commissioners established a policy of not considering docketed transportation cases without a recommendation from the Office of Transportation Regulatory Planning. Consequently, each application was thoroughly researched and a recommendation filed to insure that the common carrier met its obligation to serve the public in the most economical and efficient manner.

The office received and processed 229 applications for transportation authority, certificate extension, transfers and extentions; conducted 158 investigations; and submitted 347 oral and written recommendations on transportation cases on the commission's agenda.

Since transportation was deregulated the office has been involved in the handling and disposing of transportation records and drafting the history of transportation regulation in Florida. An additional project assigned was a study to determine the impact of total deregulation in Florida on existing reciprocity agreements with other states. This work is stayed by a statute-mandated study of the possible benefits to Florida to enter into the International Registration Plan which would replace most of the reciprocity agreements.

Location of District Offices

FT. LAUDERDALE (305) 564-7667
Park Plaza Professional Building
Suite 201
120 East Oakland Park Blvd.
Ft. Lauderdale, Florida 33334

MIAMI (305) 592-0730
8400 N.W. 52nd Street
Suite 121
Miami, Florida 33166

ORLANDO (305) 423-6146
400 West Robinson Street
Suite 502
P.O. Box 1031
Orlando, Florida 32801

TAMPA (813) 272-3911
Park Trammell Building
Suite 901
1313 Tampa Street
Tampa, Florida 33602

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State of Florida

THE FLORIDA PUBLIC
SERVICE COMMISSION

1981 - 82 REPORT

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THE FLORIDA PUBLIC SERVICE COMMISSION

1981 - 82 REPORT

Copies of this report can be obtained from the Florida Public Service Commission, Consumer Affairs Department, 101 E. Gaines Street, Tallahassee Florida 32301.

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THE COMMISSIONERS

The Public Service Commission's five Commissioners are appointed by the Governor from selections presented to him by a nominating council. The Commission was changed from an elective to an appointive board by the 1978 Legislature.

* * *

JOSEPH CRESSE

Joseph Cresse, of Tallahassee, was appointed by Governor Askew and took office on January 2, 1979. Cresse was formerly Assistant Secretary of the Florida Department of Administration and State Budget Director. He is chairman of the commission.

GERALD L. GUNTER

Commissioner Gunter, of Titusville, was appointed by Governor Askew and took office on January 2, 1979. Gunter, who has a masters degree in management, is a former city councilman of Titusville.

JOHN R. MARKS, III

Commissioner Marks, a native of Miami, was appointed by Governor Graham in March of 1979. Marks, an attorney, was formerly a hearing examiner with the commission.

KATIE NICHOLS

Commissioner Nichols was appointed by Governor Graham and took office on January 2, 1981. Ms. Nichols, of Tallahassee, became interested in utility regulation and began studying the PSC and attending the commission's hearings and meetings several years ago.

SUSAN W. LEISNER

Commissioner Leisner, who is from Tampa, is the newest member of the commission. She was appointed by Governor Graham and took office on February 16, 1981. Ms. Leisner is a certified financial analyst, has a MBA and has been a writer for several financial publications.

The commission was created by the Legislature in 1887 as the Florida Railroad Commission. Its primary purpose was the regulation of railroads. Regulatory authority was added over the years to include telephone and telegraph companies (in 1911) and electric utilities (in 1951). The title of Florida Public Service Commission was designated in 1965.

The commission's main offices are located in the Fletcher Building in Tallahassee. Regulatory authority in 1981-82 includes areas of the electric, telephone, railroad, water/sewer, and natural gas industries. Major changes, activities and accomplishments of the commission in 1981 are detailed below.

* * *

INTERNAL MATTERS

During 1981, several internal changes were made in commission operations to increase efficiency.

The commission has taken steps to streamline rate cases. Extensive use of interrogatories, depositions and prehearing conferences has helped cut down on the length of hearings. More hearings are being assigned to commission panels, and the PSC is scheduling bifurcated special rate case agenda conferences with one day for tariff design decisions.

The commission also began a new agenda conference procedure to help cut down on the number of hearings required and the number of cases sent to the Department of Administrative Hearings.

In the past, only PSC staff members had been allowed to give advice to the commission at an agenda conference. With the new procedure, anyone can speak to the commission on any matter on which a hearing has not yet been held. The commission then makes a decision and issues an order stating what it proposes to do. If no hearing is requested, the order takes effect. If anyone requests a hearing on the proposed action, a hearing is scheduled.

This practice has been helpful in eliminating unnecessary hearings while giving all interested parties ample notice of what the PSC intends and time to request a hearing.

RULE REVISIONS

During the year, the commission proposed and adopted a number of important rule revisions.

In May, 1981, the PSC adopted rules on cogeneration. Cogeneration is the connection of small power producing units to the grid for electricity transmission so the electricity can be used with the major electricity generating units. The rules require 100 per cent of the utility's fuel cost saving to be passed through to the cogenerator or small power producer.

The commission initiated rulemaking to encourage cost-effective oil to coal conversions and transmission line use by allowing two-thirds of the oil backout savings to be accrued to the utility to finance additional projects. The remaining one-third savings accrue to the customer. After the project is fully depreciated, 100 percent of the savings would accrue to the customer.

For some time, the commission has been unable to deal adequately with

requests for toll-free calling between exchanges because the PSC had no set guidelines for processing such applications. During this past year, rules were adopted which provide standards for petitions, traffic studies, cost studies and customer surveys. With these rules, the commission has been able to proceed with several pending extended area service applications and to determine whether or not the applications meet the criteria for further investigations and hearings.

A rule requiring electric utilities to provide more detailed cost and usage information on electric bills was adopted. The rule requires the utilities to list all components of the bill separately, including per kilowatt hour charges, so the customer will have the ability to compute his own bill and verify its accuracy if he desires. In addition, the separate fuel adjustment charge will be eliminated from the bill. Instead, the bill will show the price for energy in cents per kilowatt hour, and the total cost of fuel used to generate the electricity in cents per kilowatt hour. The utilities will also list the average daily kwh consumption for the current period on the bill, and the customer's average daily consumption for the same period in the previous year. The new billing will be used by all regulated utilities by 1983.

TELEPHONE RATE CASES

The commission completed two major rate cases in 1981 - Southern Bell and General Telephone - and rate increase requests were filed by five other phone companies before the year ended.

In March, General Telephone requested the authority to increase its rates and charges by $80 million annually. On November 3, after more than seven months of study, the Public Service Commission decided to cut the company's request by $57 million. In November, the commission granted General Telephone a rate increase of $23 million, or about 29% of the amount requested by the utility. The new rates were effective December 1, 1981.

The new rates set by the commission reflected the increase in the cost of certain telephone services and changes brought about by the deregulation of terminal equipment. There was no increase in local service charges, but customers who rent a phone from General Telephone will now pay a monthly charge for telephone rental. The cost of telephone installation increased, and new charges of 15¢ for verifying a number and 30¢ for interrupting a conversation were implemented.

In January, 1981, Southern Bell requested the authority to increase its rates and charges by $288 million annually. On November 24, after 10 months of study, the PSC decided to cut the company's request by $149 million. The commission granted Southern Bell a rate increase of $139 million, less than half of the amount requested by the utility.

Monthly phone charges were split into charges for access to the telephone system and a charge for phone company equipment. The access charge remained the same as the previous monthly base rate. Service connection charges were also increased. Intrastate toll charges were decreased by $7 million as a result of the rate case. Most of the decrease was due to a reduction in over-time minute charges.

One of the major issues in the case was Bell's proposal for optional local measured service. The commission rejected this proposal, citing a lack of cost support for the plan, the necessity for continued investigation into pricing options, and customer confusion over the proposal.

In late 1981, five other phone companies applied for increases. The companies and amounts requested are:

Florida Telephone	- $24,267,466
United Telephone	- $18,598,170
North Florida	- $ 3,988,066
Quincy Telephone	- $ 1,246,195
Orange City Telephone	- $ 650,216

TELEPHONE RATE REDUCTIONS ORDERED

The Public Service Commission ordered telephone refunds and rate reductions totaling $113,392,445 during 1979 and 1980, and several companies were ordered to make refunds during 1981 too. The 1981 refunds totaled $21,861,200, bringing the total telephone refunds and reductions made in the past three years to $135,253,645.

The following companies made rate refunds in 1981:

Central Telephone	- $ 642,106
Florala Telephone	- 1,282
St. Joseph Telephone	- 95,681
Southern Bell Telephone	- 15,553,072
Winter Park Telephone	- 1,100,000
Central Telephone	- 1,000,000
General Telephone	- 3,411,380
Indiantown Telephone	- 40,000
Indiantown Telephone	- 17,679

DEREGULATION

During 1981, the commissioners and staff held several planning sessions on the issue of deregulation and competition in the telephone industry.

Federal legislative changes may have a substantial impact on national communications regulation. The staff has been actively involved in evaluating the impact of the proposed legislation. The Federal Communications Commission has also ordered numerous changes to which the commission responded.

During August, hearings were conducted on rules to deregulate terminal equipment and customer premises wiring. Further hearings were held in January, 1982, on expensing station connections. During Southern Bell and General Telephone rate cases, telephone instrument rates were established on a "stand alone" basis to give customers a clearer understanding of their competitive options for purchasing rather than leasing instruments. Proposed statutory changes have also been prepared for submission to the legislature.

TELEPHONE INVESTIGATIONS INITIATED

The PSC initiated investigations into certain telephone company charges. A study into whether a statewide directory assistance plan should be implemented, and if so, what that plan should be, was begun. The commission also began investigations to determine the proper charges for non-published and unlisted numbers, and for coin telephone calls. The price of a coin phone call presently varies from company to company, and even within the service area of the same company depending on the location of the coin phone. The investigation will determine what the proper charge should be, and whether it should be implemented statewide.

ELECTRIC RATE DESIGN

Pursuant to commission order, electric utilities in Florida eliminated declining block rate structures as of April 1, 1981. Also, the four major electric utilities in Florida were required to offer optional time-of-day rates beginning in January, 1981.

The commission completed its study of lifeline rates and budget billing. Lifeline rates were not required since

the commission found that they were not cost-based. Major utilities were required to implement budget-billing plans so customers would have the option of receiving a set bill each month instead of trying to budget for an electric bill which varies greatly with each monthly billing.

POWER PLANT AND TRANSMISSION LINE NEED DETERMINED

During the latter part of 1980 and in 1981, the PSC certified the need for the following generating facility additions:

(1) Tampa Electric Company's 415 megawatt net, coal-fired Big Bend Unit Number 4.

(2) Jacksonville Electric Authority/Florida Power and Light Company's jointly owned, 110 megawatt net coal-fired St. John's River Power Park Unit Numbers 1 and 2.

(3) Orlando Utilities Commission/ City of Lakeland/Florida Municipal Power Agency's jointly owned, 415 megawatt net, coal-fired Curtis H. Stanton Energy Center Unit Number 1.

The PSC decided that each of these coal-fired generating units was needed whether or not the commission's kilowatt conservation goals for the peninsular Florida utilities are achieved. The evidence was convincing that even without a kilowatt "need" in the traditional sense, the construction of these coal-fired units would likely be cheaper than the continued base load operation of existing oil-fired generation in Florida because coal is so much cheaper than oil.

During 1981, the PSC certified the need for the following major transmission line additions in Florida:

(1) City of Tallahassee's Hopkins to the Florida/Georgia state line, 230 kilovolt transmission intertie with Georgia Power Company.

(2) Florida Power Corporation's Kathleen to Central Florida 500 kilovolt, Kathleen to Zephryhills 230 kilovolt, and Kathleen to Lakeland West 230 kilovolt transmission lines.

(3) Florida Power and Light Company's Duval to Poinsett, double circuit, 500 kilovolt transmission lines.

In the Tallahassee transmission line hearings, it was estimated that in excess of $24 million in net savings would accrue to the City of Tallahassee ratepayers from 1982 to 1986 due to the economic displacement of oil-fired generation by contracted firm coal-by-wire imports from Georgia.

ELECTRIC RATE CASES COMPLETED

In September 1981, the PSC concluded Florida Power and Light Company's rate case. The utility had asked for a $476 million rate increase. The commission approved an increase of $257 million, or about 54 percent of the amount requested. Due to a corresponding reduction in fuel adjustment charges, the price for 1000 kwh of electricity for residential customers did not change after the rate increase was granted. Charitable contributions, certain advertising costs and nuclear plants under construction were eliminated from the rate base.

On January 13, 1982, the commission approved a $5.5 million rate increase for Gulf Power Company. Gulf Power had requested a $38 million increase. The new rates, effective in February, increased the residential base rate, exclusive of fuel, by about 5 percent.

FLORIDA ENERGY EFFICIENCY AND CONSERVATION ACT

The commission continued work in 1981 on conservation and the provisions of the 1980 Florida Energy Efficiency and Conservation Act. The

commission had set statewide conservation goals during 1980, and utilities were required to file conservation programs to meet the statewide conservation goals. The PSC had to review and approve those programs.

The types of conservation programs proposed by Florida utilities varied. Programs approved by the commission in 1981 included rebates for the installation of heat pumps in lieu of resistance strip heating, water heater timers to defer consumption to off-peak periods, conversion of mercury vapor and incandescent streetlights to high-pressure sodium vapor, cash incentives for super-efficient new homes, and load management programs.

The Florida Energy Efficiency and Conservation Act credited $1 million to the Florida Energy Trust Fund for the PSC to engage in "educational, public awareness and related development and demonstration projects" on energy conservation. Topics selected by the PSC to encourage energy conservation included what is expected to happen to electric bills if the rate of growth in peak electric demand is not reduced and how individuals can reduce the electric utility's peak demand through the use of highly efficient appliances and through lifestyle changes.

The commission contracted with WJCT-TV in Jacksonville to educate the public through talk-show appearances and slide/tape presentations as well as television, radio, newspaper, magazine and movie theatre advertisements. Additional newspaper and brochure messages on energy guide labels were created with the Governor's Energy Office.

The Florida Energy Efficiency and Conservation Act also authorized the commission to use $5 million of its trust fund to guarantee loans made by utilities to customers who install systems to cut weather-sensitive peak demand. The PSC adopted a rule governing commission guarantee of conservation loans.

Under the rule, utilities wanting to participate can submit their loan plans to the commission for approval and guarantee of the loans. The program is designed to make it easier for customers to obtain loans to make conservation improvements. As of March 1, 1982, three companies had received loan guarantee approval. They are Clay Electric Cooperative, Gainesville Regional Utilities, and Lee County Electric Cooperative.

The Conservation Act extended the PSC's jurisdiction on energy conservation to all utilities, and as a result, it was possible to develop standards for energy audits that would apply to all utilities. All utilities in Florida are now engaged in audit programs.

Three types of audits were approved. The primary audit, called the "Energy Conservation Audit", is an energy analysis in which the utility performs an on-site evaluation of the residence. The "Customer Assisted Audit" is an energy analysis in which the utility supplies a data collection form to the customer. The "Alternative Audit" is an energy analysis of a residence in which a qualified auditor simply walks through the residence and advises the customer of energy conservation practices and measures that would be feasible to implement.

Approval was received from the U.S. Department of Energy for a waiver of the requirements for utilities to audit for passive solar systems, active solar space heating systems, flue opening modifications, electronic ignition devices, and wind energy systems. These measures are not cost-effective in Florida.

During 1981, the PSC also approved a number of energy conservation research projects designed to provide data on residential conservation methods. The projects, which will be conducted throughout 1982, will be under the direction of PSC research personnel, and a special staff in the Research Department was established to monitor the projects and the results. Funding for the energy demonstration projects was provided by the legislature.

The commission has implemented a conservation cost recovery clause to allow utilities to recover costs of conservation programs. Five electric utilities and two distributors of natural gas are covered by the conservation cost recovery clause.

The commission reviews conservation-related costs incurred by utilities every six months and costs determined to be prudent and related to cost-effective conservation programs are approved for inclusion in the rates. In this way, otherwise unrecoverable costs are passed on to the ratepayers who benefit from the utility's conservation programs.

ENERGY BROKER SAVINGS REACH ALL-TIME HIGH

In 1978, a "power broker" system initiated by the PSC was implemented in Florida. With this concept, each electric utility in the state gives a buy quote and a sell quote for a certain amount of kilowatt hours each hour to the "broker", which is actually a computer. The quotes are based on hourly marginal costs. The broker then matches buying utilities and selling utilities so as to produce the lowest cost kilowatt hours.

Fuel savings realized through the operation of the Energy Broker System in Florida for the twelve month period ending September 30, 1981, reached an all-time high of $51.3 million. This was more than three times the savings realized in 1978, the first full year of the Energy Broker operation.

FUEL ADJUSTMENT

The commission has established a new electric utility fuel adjustment procedure which eliminates the month-to-month variation in the charge. The new fuel adjustment uses six-month projections of fuel costs and kilowatt hour sales to calculate a constant charge per kilowatt hour for each utility for the six-month period. A true-up provision, with interest, is applied to the subsequent period to correct for any error in the projection.

The procedure also includes a reward/penalty incentive plan to encourage utilities to operate their generating facilities in the most fuel efficient manner possible. The new fuel adjustment formula with the incentive plan is the first of its kind in the nation, as far as we know.

The incentive factor is a plus or minus 10 point scale which provides a reward or penalty when a utility exceeds or fails to meet predetermined generating unit efficiency (heat rate) and availability targets.

In May, 1981, Florida Power and Light , Florida Power Corporation, and Gulf Power were rewarded a total of $1,585,000 because the heat rate and availability of their generating units exceeded pre-set targets. Tampa Electric was penalized $451,000 for failing to meet its targets. In December, 1981, FP&L and TECO were rewarded a total of $804,754, while Florida Power Corporation and Gulf Power were penalized a total of $265,950.

A RATE CASE - WHAT'S INVOLVED

The Florida Public Service Commission, under state law, is charged with the regulation of rates and service of private, investor-owned utilities which serve the public of this state. Florida Statutes direct the commission to set rates for regulated utilities that allow a reasonable rate of return on an approved investment, conditioned by the quality of service rendered to utility customers.

Any change involving increases in utility rates is initiated by the individual utility, or in certain cases, through an association or agency.

Reductions in rates are usually initiated by the commission through its "continuing surveillance program".

When a utility petitions the commission for a rate increase, the company is required to file minimum informational requirements concerning its operations, expenditures, assets, etc. Additional information and material is required by the commissioners, staff and active intervenors as the rate case progresses. This material is carefully examined by the commission's technical staff of attorneys, accountants, rate analysts and engineers.

Public hearings are held in major cities located within the areas affected by the petitioning utility's services. During these hearings, customers of the utility are invited to attend and testify before the commission as to the quality and adequacy of service being provided by the utility.

The commission staff, after evaluating all testimony and evidence derived from the utility's corporate officers, makes a recommendation to the commissioners on a fair rate of return.

The rate of return is determined from the amount of money invested by the utility in its "rate base". The rate base is defined as the total original cost of operative property devoted to public service, minus accrued depreciation of such property plus a reasonable allowance for working capital. Thus, regulated utilities actually operate at cost plus the rate of return allowed by the commission.

Upon the vote of the commissioners, an order is issued setting the maximum rate of return the utility may be allowed to earn on its investment. The utility cannot exceed the maximum allowable rate of return. Also, the allowed rate of return does not "guarantee" the utility will actually make that rate of return.

The utility then files with the commission its suggested schedules of rates and charges. The commission reviews them and may suggest revisions to reflect commission policy. Then, if they are found to be satisfactory, they are approved and permitted to become effective.

EXECUTIVE DIRECTOR

David Swafford

The executive director is, essentially, the chief of staff of the commission with general responsibility over the technical and administrative operations of the commission. He coordinates the activities of the departments, is responsible for the implementation of commission policies, arranges hearings and conferences, and makes recommendations for the development and articulation of policy questions. The executive director serves with the general counsel in coordinating interagency and legislative liaison, and consults with and advises the commission on economic and governmental matters.

* * *

With expanding emphasis on developing clearly defined written policies and procedures, the workload of the office of the executive director has increased. The office includes two deputy executive directors. William Talbott is deputy director over the technical departments, including the Communications, Electric and Gas, Water and Sewer, Auditing and Financial Analysis, Research, and Rail Transportation departments. Jay McGlon is deputy director over the Administration and Consumer Affairs departments, the Commission Clerk, and the Office of Information Processing.

This division of executive duties helps to facilitate the flow and efficiency of the commission's workload, as well as providing the proper direction and leadership for the staff. Legislative and interagency liaison work is also done by the executive director.

A case manager, who reports directly to the executive director, has been established to further aid in expediting the movement of docketed cases through the commission. The case manager is responsible for the planning and development of systematic procedures for handling and processing all cases and for the development of appropriate manuals depicting staff operating policies and systems. The case manager also assists in assignment of cases and reports to the executive director on the over-all status of case load, especially on older or delayed cases.

As of December 31, 1981, the total number of cases on hand at the PSC was 416. This was the lowest caseload since November, 1980. Also, the total cases more than 2 years was 63, the lowest number since the PSC began keeping this record in August, 1979.

GENERAL COUNSEL

William Bilenky

The office of General Counsel is responsible for the legal functions of the commission. This includes preparing notices, recommendations and orders; attending hearings; participating in matters before state and federal courts; advising the commission on all matters under PSC jurisdiction; promulgating rules and regulations; acting as interagency and legislative liaison in cooperation with the executive director; and advising the commissioners on matters of policy, procedure and law.

* * *

The commission has been involved in revising and reviewing many of its existing rules and regulations, and during 1981, a large number of new rules was proposed and adopted.

The General Counsel is actively involved in each rulemaking procedure, holds hearings on proposed rules, and makes recommendations to the commission on rules. Much activity during the year included handling rulemaking proceedings, and following legislative matters. Federal regulation and its impact, including the Staggers Rail Act, the rewrite of Federal Telecommunications Statutes, and the proposed anti-trust settlement of AT&T were all of great concern to the commission and the commission's actions were coordinated through the General Counsel. The PSC intervened in the AT&T settlement procedures in early 1982 to represent Florida ratepayers.

The Legal Department of the General Counsel serves primarily to represent the staff of the commission in proceedings before the commission, the Division of Administrative Hearings, and the courts. In this capacity, the legal department prepares legal memoranda, recommendations, pleadings, notices and other documents.

Bill Bilenky was appointed General Counsel in 1981, replacing Arthur Canaday. Patrick Wiggins is Deputy General Counsel/Advisory, and Joe McGlothlin is Deputy General Counsel/Legal.

ADMINISTRATION DEPARTMENT

John Adams, Director

The Administration Department has over-all responsibilities throughout the commission in areas of internal administration, including accounting, personnel, budgeting, planning, purchasing, commission-owned automobiles, duplicating, mail distribution, and leasing of office space, equipment, etc.

* * *

Administration consists of several sections, each handling a specific area of responsibility. The fiscal section operates a centralized accounting office and keeps detailed accounting records for the entire PSC. This section is responsible for disbursements and collection of revenue for the commission. The section prepares payrolls, and audits and codes all travel reimbursement vouchers, purchase orders, and invoices for payment.

The personnel section administers all actions regarding recruitment, employment, pay, attendance and leave, to ensure the proper application of state personnel rules and regulations. The PSC has 322 approved staff positions for the 1981-82 fiscal year.

The PSC has enhanced the affirmative action program, advanced recruitment efforts, and also has established some sound training programs. The personnel office sends job opportunity announcements to other state agencies, state employment services, and universities, as well as to minority-oriented organizations and publications.

The office services section provides mail and duplicating services. In 1981, the commission spent approximately $3,905 per month for postage, compared to an average of $5,642 in 1980. Commission duplicating equipment produced an average of 296,722 copies per month.

The budget and planning section is responsible for overseeing the commission's legislative budget request during the entire fiscal cycle, including preparation, various stages of review and approval, appropriation, implementation, and monitoring. The commission's operating budget has increased in the last six years from $5.9 million in fiscal year 1974-75 to $12.1 million in 1981-82.

Although the commission operates on a budget which must have approval of the legislature, actual funding for the agency is through a regulatory trust fund which is made up of fees derived from licenses and taxes on regulated businesses.

AUDITING AND FINANCIAL ANALYSIS DEPARTMENT

Greg Follensbee, Director

The Auditing and Financial Analysis Department serves as the principle advisor to the commission on matters pertaining to taxes, capital recovery, and finance. The department performs audits, issues reports on regulated utilities, and is the official custodian of the annual reports required to be filed by the regulated utilities.

* * *

During October, the commission approved a departmental reorganization which involved adding the management studies section to the department and transferring the economic regulation standards and control section to the deputy executive director/technical. A second deputy director position was added, responsible for the management studies, tax, finance, and depreciation sections. With the reorganization, the auditing and financial analysis department now consists of 61 positions of which 18 possess CPA certificates, 8 have MBA's and 3 have MS's.

In 1981, an audit retrieval software package was chosen for use for future audits. Audit analyzer is now being leased from TSI International, and three employees were hired to implement its use. To date the package has been successfully installed in Tallahassee for testing and training purposes. A training test is currently underway at a major utility, using several of the routines contained in the package. Actual usage in an audit will take place in 1982.

A large portion of staff time in 1981 was taken up reviewing the rate increase requests of several utilities, including FP&L, Southern Bell, and General Telephone.

The water and sewer case load continued at a high level in 1981.

The commission continued to make major strides in reviewing the practices and procedures of utility management to ensure an efficient and productive utility operation that provides the best possible service at the lowest possible cost. The management studies section has completed the second year of a two year plan to provide the commission with the internal capability of producing management reviews.

Reorganization shifted the role of the field audit staff to a support function responsive to audit requests of PSC departments. Reports of audits are now issued to the Commission Clerk and made available to the general public. A new audit manual is under development.

In 1981, the commission introduced new rules covering development of depreciation rates for telephone companies. These rules require the examination of adequacy of the present recovery position (depreciation reserve) as related to the expected remaining life of each class of plant. To promote an economical and efficient telecommunications network in the state, the new rules also provide for use of accelerated recovery schedules for installations being prudently retired substantially in advance of their historically expected date. The purpose of these new rules was to arrive at more uniformity in the state, while providing a means of assuring the integrity of the rate base and prudent capital recovery. Preparation of similar rules for the electric and gas utilities will proceed during 1982.

THE COMMISSION CLERK

Steve Tribble

The Commission Clerk receives and processes all formal matters filed with the commission and keeps the official records. The clerk maintains permanent record books, records the minutes and formal orders of the commission, maintains records on the current status of all pending proceedings, prepares and issues notices of all hearings, arranges hearing sites, and serves all orders. The clerk also assigns docket and order numbers for all proceedings before the commission.

* * *

The job of Commission Clerk is similar to that of a circuit court clerk. Just as the commission's rules of practice and procedure are patterned after those of the circuit courts, the records are kept on a docket filing system much like court cases are filed and placed on a court docket.

Each new filing for commission action is assigned a docket number and a file is established.

After a case is filed, card file records are kept showing the daily activity of work and correspondence. As new correspondence and legal pleadings are received, the cards are posted as to date, type of filing, names of attorneys and other data. There were 372 active cases in December, 1981.

As official custodian of the records, the commission clerk maintains control of the central file room. Files are checked out to the various departments during the period they are active and are eventually stored as permanent records. After several years, files are sent to the state archives for storage.

Orders of the commission are mailed to participants in the various cases and to required utilities. Copies are filed in the docket files and printed loose-leaf pages are placed in the order books, known as the official record of the commission.

The commission clerk is responsible for arranging hearing sites, scheduling court reporters for hearings and issuing notices of hearings. The clerk also prepares the agenda for commission conferences and circulates copies to the staff and other interested parties.

COMMUNICATIONS DEPARTMENT

Walter D'Haeseleer, Director

The Communications Department is responsible for providing technical information, advice and assistance in the accounting, engineering and rate areas regarding the regulation of the telephone proceedings dealing with rates, services, construction programs and safety practices. In formal proceedings, the department provides analysis of expert testimony and exhibits, develops cross-examination and direct testimony, and prepares recommendations concerning the disposition of matters before the commission.

* * *

The department processed two major telephone rate cases during 1981 - Southern Bell and General Telephone Company. In addition, seven telephone companies made refunds totaling $21.8 million to customers during the year.

A service evaluation started in 1980 on Central Telephone Company was concluded in 1981. Further evaluations were conducted on Southern Bell and General Telephone Companies and evaluations were begun on Florida and United Companies. Over-all quality of service in the areas of call completions, answer times, and directory assistance continues at a high level. The weakest areas are in business office and repair service operations.

Also during the year, several terminal per line central offices were replaced. With the lone exception of one office which is scheduled for replacement in April, 1982, all Florida offices have now been converted. These offices allow the introduction of more modern calling features and permit party line customers to upgrade their service without a number change.

A STAR grant project with the University of South Florida was completed. This grant provided for the development and testing of a customer survey which can be used to complement our existing service evaluation program by measuring over-all customer satisfaction and pinpointing weak spots. A pilot test was conducted in the St. Joseph Telephone Company service area.

During 1981, rules were adopted which provide standards for petitions, traffic studies, cost studies and customer surveys for extended area service requests. With these rules, the commission has been able to proceed with pending applications.

A significant workload activity during 1981 was the development of an entire new set of rules by which the commission would regulate the telephone industry. The rules cover items such as customer billing and service standards.

During August, 1981, hearings were conducted on staff rules to deregulate terminal equipment and customer premises wiring. Hearings were held in January, 1982 on expensing station connections.

In December, a deregulation/competition committee was established consisting of members of the communications, legal, and research departments. The purpose of the committee is to make recommendations on future commission direction in regard to communications competition and deregulation. A generic investigation was initiated on the issue of resale of WATS and toll service.

CONSUMER AFFAIRS DEPARTMENT

George Hanna, Director

The Consumer Affairs Department has the primary responsibility for consumer relations and communications. This involves investigating and resolving consumer complaints, issuing news releases concerning commission decisions and studies, preparing statistical summaries on consumer complaint activity, developing educational presentations for consumer and civic organizations, preparing testimony for rate cases on complaint activity, and participating in or initiating other dockets on consumer matters.

* * *

During 1981, the Consumer Affairs Department handled a total of 78,345 complaints and inquiries, 11,829 of which were logged complaints investigated by the department. During 1980, 61,658 complaints and inquiries were handled.

The number of logged complaints has increased 46.91 percent from 1977 through 1981, and other complaints and inquiries increased 85.47 percent during the same period.

The department operates a toll-free WATS telephone line for citizens with problems involving regulated utilities. Through this service, consumers who have first contacted the utility and have received no assistance may call the commission directly.

During 1981, the department prepared testimony and exhibits for introduction into six rate cases concerning complaint activity against the utility in question. The testimony included a breakdown of the types of complaints, whether or not the customer was justified in contacting the commission, and comparative figures with other companies in the same industry.

Consumer Affairs participated in rewriting the telephone rules, in coordination with the technical departents, and initiated a rule proposal which would prohibit the utility industry's practice of backbilling customers when there has been an error in billing.

The department increased its activities to expand public awareness of commission activities. In April, 1981, Consumer Affairs began preparing a daily tape of PSC news for use by radio stations. This put the second WATS line to use during non-business hours by providing a toll-free number for radio stations to call and get a taped news or conservation item. Over 2,400 calls for the taped items were received from April through December. The department also prepared and distributed 3,355 copies of press releases and notices to the press on commission activities.

Publication of a monthly consumer bulletin giving details on commission actions was resumed, and a mailing list of consumer groups was established for mailing proposed rules to receive comments and suggestions. The department also began reviewing and suggesting changes to utility billing inserts issued after rate cases in an effort to have clear and objective information presented to the customer.

Consumer Affairs sponsored a workshop on consumer-utility panels and pre-rate filing meetings. As far as we know, this is the first regulatory-sponsored workshop of its type. Presentations on the PSC and energy conservation were made to a number of consumer groups.

ELECTRIC AND GAS DEPARTMENT

Joe Jenkins, Director

The Electric and Gas Department is responsible for providing technical information, advice and assistance in the accounting, engineering and rate areas regarding the regulation of the electric and gas industries. The department handles electric and gas service matters through its safety, conservation and energy audit, system planning, and fuel procurement and power efficiency sections. The department is responsible in formal proceedings for analysis of testimony and exhibits, developing cross-examination and direct testimony, and preparing recommendations concerning the disposition of electric and gas matters.

* * *

Some of the major activities and matters in which the Electric and Gas Department was involved during 1981 are listed below.

Conservation Goals

The 1980 Legislature passed the Florida Energy Efficiency and Conservation Act (FEECA). Section 366.82(2) Florida Statutes, as created by Chapter 80-65, Laws of Florida, directed the PSC to "adopt appropriate goals for increasing the efficiency of ...energy consumption, specifically including goals designed to increase the conservation of expensive resources, such as petroleum fuels, and to reduce the growth rates of electric consumption and especially of weather-sensitive peak demand."

The initial goals were required to be adopted by September 1, 1980. The PSC held extensive hearings to develop the information necessary to adopt comprehensive and rational goals to enhance job-producing economic growth by lowering energy costs from what they otherwise would be if these goals are not achieved.

To meet the September 1, 1980 deadline, the commission voted on August 29, 1980 to adopt emergency rules establishing the initial goals to apply to electric and gas utilities. On November 13, 1980 the commission established permanent goals. Minor changes to the rules establishing the goals have been necessary and have been adopted.

In formulating conservation goals, the commission recognized that the primary factor forcing increases in electric consumption and the need for new power plants is population growth. Thus, the commission adopted conservation goals which adapt to the rate of increase in residential customers. Historically, the rate of growth in peak power demands has exceeded the rate of growth in residential customers. To reverse this trend, the commission adopted the goal of reducing the rate of growth in peak power demands to 72.25% of the growth rate in residential customers by 1989. The commission specified that the utility sector is to develop and implement programs to reduce the growth rate of kilowatt hour consumption to an average of 75% of the average annual growth rate in the number of residential customers for the 1980-89 period. The commission also adopted a goal that the use of oil as generating fuel shall be reduced to the greatest practicable and cost-effective extent. The over-all goal for the 1980-85 period is to develop or implement programs to reduce the use of oil by 25% by 1989, so that consumption in 1990 does not exceed 58.7 million barrels.

Another specific goal adopted by the commisson was the number of energy audits. By January 1, 1982, energy audits are to be performed statewide at the rate of 150,000 per year and by January 1, 1984, this rate is to increase to 250,000 per year statewide. The number of audits to be performed annually by each utility was determined by proportioning the statewide number of audits by the number of residential customers who consumed more than 9,000 kilowatt-hours for a given utility to the statewide number of residential customers whose consumption exceeded 9,000 kilowatt-hours in 1979. Energy audit routines submitted for PSC evaluation have been approved and are being used.

The Electric and Gas Department has four persons committed full-time to monitoring the conservation efforts and expenditures of the participating utilities. In 1982, this monitoring effort will become directed toward load research to determine the accuracy of the projected program savings.

Utility Conservation Programs

The types of energy conservation programs proposed by Florida utilities varied. Examples of programs approved in early 1981 are: Rebates for the installation of heat pumps in lieu of resistance strip heating; water heater timers to defer consumption to off-peak period; conversion of mercury vapor and incandescent streetlights to high-pressure sodium vapor; cash incentives for super-efficient new homes; and load management. The success of the programs is being monitored.

Energy Conservation Audit Rule

The Florida Energy Efficiency and Conservation Act of 1980 extended the commission's jurisdiction for energy conservation to all utilities, not just those under federal law. As a result, it was possible to develop standard audits that would apply to all utilities. All utilities in Florida are engaged in an audit program.

Public Awareness Grants

The 1980 Florida Legislature credited $1 million to the Florida Energy Trust Fund for the PSC to engage in "educational, public awareness and related development and demonstration projects" on the subject of energy conservation particularly pertaining to electric and gas utilities. Topics that were selected to encourage energy conservation include (1) what is expected to happen to electric bills if the rate of growth in peak electric demand is not reduced and (2) how individuals can reduce their electric utility's peak demand through the use of highly efficient appliances and through lifestyle changes.

The PSC, after receiving many bids, contracted WJCT-TV in Jacksonville to educate the public through numerous talk-show tours and slide/tape presentations as well as television, radio, newspaper, magazine, and movie theatre advertisements. Additional newspaper and brochure messages on energy guide labels were created with the assistance of the Goveror's Energy Office.

Loan Guarantee Rule

The Loan Guarantee Rule was promulgated pursuant to FEECA. The rule allows the PSC to use up to $5 million of its trust fund to guarantee loans made by utilities to customers who install systems to cut weather-sensitive peak demand. The PSC adopted a guarantee rule in September, 1981. The rule allows both utilities and the financial community to participate in a loan program guaranteed by the commission.

Conservation Cost Recovery

As authorized by the legislature, the commission has implemented a conservation cost recovery clause to allow utilities to recover costs of conservation programs. These costs are reviewed by the commission every six months to assure that only the otherwise unrecoverable costs from approved, cost-effective conservation programs are passed on to all ratepayers, who benefit from these programs.

Five electric utilities and two distributors of natural gas are covered by the conservation cost recovery clause. At the conservation cost recovery hearing, the commisson voted to allow rebates for more efficient heat pumps and air conditioners to be recovered through the conservation cost recovery clause (minimum 2.5 COP/7.5 SEER for heat pumps and 8.5 SEER for straight cool air conditioners).

Working with the Legislature and the Florida Home Builders Association, the commission assisted in developing legislation providing a framework for the establishment of new cost-effective building standards. Working with a consultant, the electric and gas department developed new minimum efficiency standards which were presented during statewide hearings on the Model Energy Efficiency Code. The position was taken that new homes should be built to the most cost-effective standards because it is cheaper to do it right the first time.

Cogeneration

Cogeneration, as used by both federal and state regulatory bodies, refers to the sequential use of energy wherein waste industrial process steam is used to generate electricity, and small power production. This concept entails dispersed electrical generating units that are electrically interconnected to the statewide transmission grid and operate synchronously with electric utility generating units. The commission has proceeded aggressively to identify potential cogenerators or their functional equivalent.

Section 210 of 1978 Public Utilities Regulatory Policy Act (PURPA) required each state regulatory commission to adopt cogeneration rules. In May 1981, the PSC adopted rules which required 100% of the utility's fuel cost savings to be passed through to the cogenerator or small power producer. Capacity savings pass-through is to be negotiated on an individual basis. Commission-proposed tariffs were issued in October 1981 for Florida's four largest investor-owned utilities.

Power Plant "Need" Determination Proceedings

During the latter part of 1980 and in 1981, the commission certified the need for the following generating facility additions:

1. Tampa Electric Company's Big Bend Unit Number 4.
2. Jacksonville Elec. Authority/ Florida Power & Light Company's St. Johns River Power Park Unit Number 1 and 2.
3. Orlando Utilities Commission/ City of Lakeland/Florida Municipal Power Agency's Curtis H. Stanton Energy Center Unit Number 1.

Transmission Line "Need" Determination Proceedings

During 1981, the PSC certified the need for the following major transmission line additions in Florida:

1. City of Tallahassee's intertie with Georgia Power Company.
2. Florida Power Corporation's Kathleen to Central Florida, Kathleen to Zephryhills, and Kathleen to Lakeland West transmission lines.

3. Florida Power and Light Company's Duval to Poinsett transmission lines.

In the Tallahassee transmission line hearings, it was estimated that in excess of $24 million in net savings would accrue to the City of Tallahassee ratepayers from 1982 to 1986 due to the economic displacement of oil-fired generation by contracted firm coal-by-wire imports from Georgia.

The commission also found that Florida Power and Light Company's Duval to Poinsett double-circuit 500 kilovolt transmission project was "needed". This project will complete Florida Power and Light Company's 500 kilovolt transmission system along the east coast from Georgia to Southeastern Florida. The addition of these transmission lines will greatly enhance the reliability and integrity of the Florida transmission grid and will enable Florida Power and Light Company to fully utilize the 1,000 megawatts of firm coal-by-wire imports which they have contracted from the Southern Companies through 1992 for the purpose of economically displacing existing oil-fired generation in their system and in peninsular Florida.

The commission found that Florida Power Corporation's proposed 500 kilovolt transmission line from Central Florida to their new Kathleen substations and two 230 kilovolt lines from Kathleen to Zephryhills and Lakeland West, will enable Florida Power Corporation to fully and reliably distribute output from their Crystal River Plant once Crystal River Unit Numbers 4 and 5 are placed in commercial service in 1982 and 1984, respectively.

1981 Ten Year Plans

Pursuant to Chapter 23.0191 Florida Statutes, Florida's electric utilities submit ten year plans containing power generating needs and the location of all proposed power plant sites to the Department of Veteran and Community Affairs (DVCA). DVCA reviews "the need, including the need as determined by the PSC for electrical power in the area to be served." The ten year plans are tentative information only and are subject to change at the discretion of the utilities.

Energy Broker and Superbroker

Fuel savings realized through the operation of the Energy Broker System in Florida for the twelve month period ending September 30, 1981, reached an all-time high of $51.3 million, more than three times the savings realized in 1978, the first full year of Energy Broker operation.

An early "spin-off" from the Central Dispatch Study initiated in 1977 by the PSC and implemented by the Florida Electric Power Coordinating Group, the Energy Broker concept begins by each utility quoting its fuel cost by telephone for the next hour at approximately twenty minutes before the hour. The Energy Broker then matches the high cost quotes with the low cost quotes in a manner which reduces the over-all cost to all utilities, both individually and collectively. Just prior to the hour, the Energy Broker issues the amount of kilowatt hours to be generated by each utility for the next hour. Energy Brokering is actually a manual version of a computerized central dispatch. This original Florida concept has received national attention and, in 1979, the PSC was the recipient of a U.S. Department of Energy Certificate of Appreciation for its activities in this area.

The Superbroker concept would be the current method of broker operation extended to include peninsular unit commitment scheduling. Current operation requires the buying utility to have on-line generating capacity to replace the purchased megawatts should

the selling utility experience a generating unit failure. With Superbroker operation, the backup generating capacity requirement would be assigned on a peninsular basis instead of a utility-by-utility basis. The potential savings, in dollars and oil, of assigning unit commitments on a peninsular basis are very large.

Annual Need Determination Hearings

The commission initiated proceedings to establish annual hearings to review the generation and transmission expansion plans of the Florida electric utility industry and to determine what combination of power plants, transmission lines, and other measures is likely to be required to most economically meet Florida's future electrical needs. Public hearings were held on October 21, 1981 to define the procedure under which such annual need determination hearings would take place and to develop the minimum informational requirements for such hearings.

The first step in a "need" determination is the development of kilowatt and kilowatt-hour forecasts. The first hearing on these forecasts, including scenarios of conservation penetration, is scheduled for March, 1982. The first hearing on the additional power plants and transmission lines to satisfy the forecasted increase in consumption, after conservation has been taken into account, is scheduled for June, 1982. While it is not anticipated that such hearings will take the place of individual transmission line/power plant need determination by the commission, the annual need determination hearings will provide an integral step in determining future statewide generation and transmission requirements.

Oil-Backout Cost Recovery Rule

The commission initiated rulemaking to ferret out cost-effective oil to coal conversions and transmission lines to displace oil. The rule provides for rapid depreciation of the cost-effective conversions and transmission lines by allowing 2/3 of the oil backout savings to be accrued to the utility to finance additional projects with the remaining 1/3 savings accruing to the consumer. After the project is fully depreciated, 100% of the saving accrues to the consumer.

RAIL TRANSPORTATION DEPARTMENT

The primary function of the Rail Transportation Department is to make recommendations to the commission on the economic regulation of rail carriers. The department analyzes each rail tariff filing for consistency, timely filing and reasonableness of rates and rules. Protests and complaints from the public are considered and recommendations are made to the commission. The department analyzes rail applications for abandonment of side and team track, station buildings, station agency closing and status change and makes recommendations. Other departmental functions include investigation of service complaints and of maintenance of rail properties and facilities.

* * *

Legislation continued to be a major factor in railroad regulation during 1981. The department gave a workshop in January, 1981, to the commission and public on federal deregulation legislation and its effects on intrastate rail regulation.

The Public Service Commission sought certification to continue the economic regulation of railroads under the Staggers Rail Act of 1980, and the Interstate Commerce Commission granted temporary certification in March 1981.

In Florida, sunset of rail transportation statutes is scheduled for October 1, 1981, unless the legislature acts to continue regulation of rail carriers. The commission has recommended a sunset of the statutes, with a standby in case a constitutional challenge of the Staggers Rail Act is successful.

During 1981, three generic rail cases were concluded, rule changes adopted, one show cause order initiated to determine if carriers must file an application to discontinue service to private track connections, and new minimum filing requirements for rail tariff filings adopted.

Railroad Tariff Filings
For 1981

General Rate and Rule Filings	235
Rail Carrier Cost Recovery	3
Fuel Surcharges	3
Ex Parte Increases	1
Complaints - 1981	165
Inspections	
Agency Discontinuance	25
Mobile Agency Effectiveness	16
Nonagency & track abandonments	35
Rate and Rule Inquiries	200
Research-Statistical & Economic	55

RESEARCH DEPARTMENT

Mary Bane, Director

The Research Department is responsible for preparation of studies of policy alternatives, research to determine trends and conditions affecting public utility operations and regulations, studies on rates, electricity, productivity, finances and demand projections. The department is also responsible for in-depth analysis of current and potential problems in utility regulation, for coordinating and directing the utilization of research methods and findings in commisson cases, for presenting reports regarding the results of research studies, and for preparing economic impact statements on proposed rules.

* * *

In 1979, the commission received funding from the U. S. Department of Energy to perform several studies relating to compliance with PURPA (Public Utility Regulatory Policies Act of 1978) and the development of innovative rate programs in the electric utility industry. Four of these projects were completed in 1981. These include: (1) Metering for Innovative Electric Rates (2) Rate Incentives for Utility Efficiency - Boiler Efficiency (3) Rate Incentives for Utility Efficiency - Plant Availability (4) Time-Differentiated Embedded Cost of Service Methodology for Electric Utilities.

The Research Department was given responsibility for the performance of a study of the effects of various conservation technologies on the State's utility systems and for the performance of residential demonstration projects. A residential conservation demonstration section was formed with staff persons responsible for the monitoring and evaluation of the demonstration projects. Eight demonstration projects are currently being funded.

Two additional contracts have been undertaken by the commission with research staff responsible for the administration and monitoring of the projects. A demograhic study will identify certain demographic groups likely to be differentially affected by conservation efforts and will analyze the impacts of various conservation programs on these groups. A simulation study will consist of a market survey of the engineering, economic, and demographic characteristics of residential customers and their residences and will simulate the impacts of various conservation technologies on the residential load curve for specified utilities.

With the growing recognition of the need for economists in the regulatory environment, the legislature authorized two new economist positions for the department during the 1981 session. One of these positions, the planning and research economist, has responsibility for the preparation of all economic impact statements required in conjunction with any rule changes promulgated by the commission. The second position, an economic analyst, performs economic analyses for the communications, water and sewer, and rail departments.

As the department continues to complete some of the long run projects which were funded with federal monies, it will be initiating more research projects of specific interest to the industry departments of the commission.

WATER AND SEWER DEPARTMENT

Dale Knapp, Director

It is the responsibility of the water and sewer department to enforce the statutes and commission rules and regulations governing the operations of privately owned water and sewer utility systems in those counties subject to PSC jurisdiction. The department is primarily involved with certification of utilities and areas of service as well as regulation of rates and quality of service.

* * *

During 1981, the water and sewer department acquired jurisdiction over Marion and Columbia counties. The commission now regulates 28 counties with 693 regulated systems. The additional counties becoming jurisdictional required the department to begin a certification and rate review process on the utilities in those counties.

During 1981, the commission retained Theodore Barry and Associates to perform an in-depth study on contributions in aid of construction in the water and sewer industry in Florida. The consultants have recommended several guidelines regarding CIAC policy and the appropriate level of CIAC in water and sewer utilities. Rules which incorporate these recommendations are being promulgated.

The commisson adopted rules providing for staff assisted rate cases, and a large number of water and sewer utilities with gross annual revenues of less than $50,000 have made this type of rate filing. During 1981, approximately 61 staff-assisted rate cases were being processed at a given time.

On March 12, 1981, the PSC issued new rules to cover a price indexing procedure created by the legislature during the 1980 session. The new procedure required that a price increase or decrease index for the major categories of operating costs for water and sewer utilities be established. The PSC established the first annual price index for water and sewer companies with an indexing factor of 8.99 to be applied to all operational and maintenance expenses with the exception of automatic pass through items.

The commission has also undertaken the establishment of a service availability review section. Three additional staff positions were authorized for this new section.

The PSC, through the water and sewer staff, cohosted the 9th Annual NARUC Water Seminar at Florida Atlantic University. Enrollment for the 1981 meeting was 83. The registrants represented 18 states. The annual meeting provides regulatory staff and industry representatives with a seminar on problems in regulation of water and sewer utilities.

1981 Water and Sewer Cases

Rate Cases Completed	31
Rate Cases in Progress	34
Staff Assisted Rate Cases Completed	19
Staff Assisted Rate Cases in Progress	42
Certificate Transfers Requiring Rate Base Determination (completed)	8
Certificate Transfers Requiring Rate Base Determination (pending)	39
Certification (All Types-Completed) Requiring No Rate Base	121

OFFICE OF INFORMATION PROCESSING

Dewey Ray, Administrator

During 1981, the Office of Information Processing (OIP) devoted most of its resources to word processing, computer-based auditing, and computer program and data base development.

In the area of word processing, the office successfully concluded the evaluation, selection, procurement and installation of a shared-logic word processing system. This system, a WANG OIS 140-2, includes a central processor, a central disk with a storage capacity of 21,000 pages of text, thirteen CRT/keyboard workstations, twelve letter-quality printers, one draft-quality printer, one automatic sheet feeder, and one automatic envelope feeder. The system has overall capabilities of word processing, records management, electronic mail, limited data processing, and several other software features to enhance office productivity.

In the area of computer-based auditing, OIP provided the technical support required to successfully install the commission's audit software on the FP&L computer system. Activities also included collecting technical information required for audits of the other utilities and preparation of plans for completing these audits.

In the area of electronic data processing, OIP provided the system analysis and programming support required for the deveopment of a statistical report on the Florida telephone companies, a rate of return program, a telephone service evaluation system, and telephone toll pricing. Several programs were obtained from other sources, converted, and installed. During this period, OIP also made enhancements to existing programs and data bases as requested by the commission staff and produced final documentation on systems already operational.

LOCATION OF DISTRICT OFFICES

FT. LAUDERDALE (305)467-4618
Robert H. Gore Bldg.
Suite 307
201 W. Broward Blvd.
Ft. Lauderdale, Florida 33301

MIAMI (305)592-0730
8400 N.W. 52nd Street
Suite 121
Miami, Florida 33166

ORLANDO (305)423-6146
400 West Robinson Street
Suite 502
P. O. Box 1031
Orlando, Florida 32801

TAMPA (813)272-3911
Park Trammell Building
Suite 901
1313 Tampa Street
Tampa, Florida 33602

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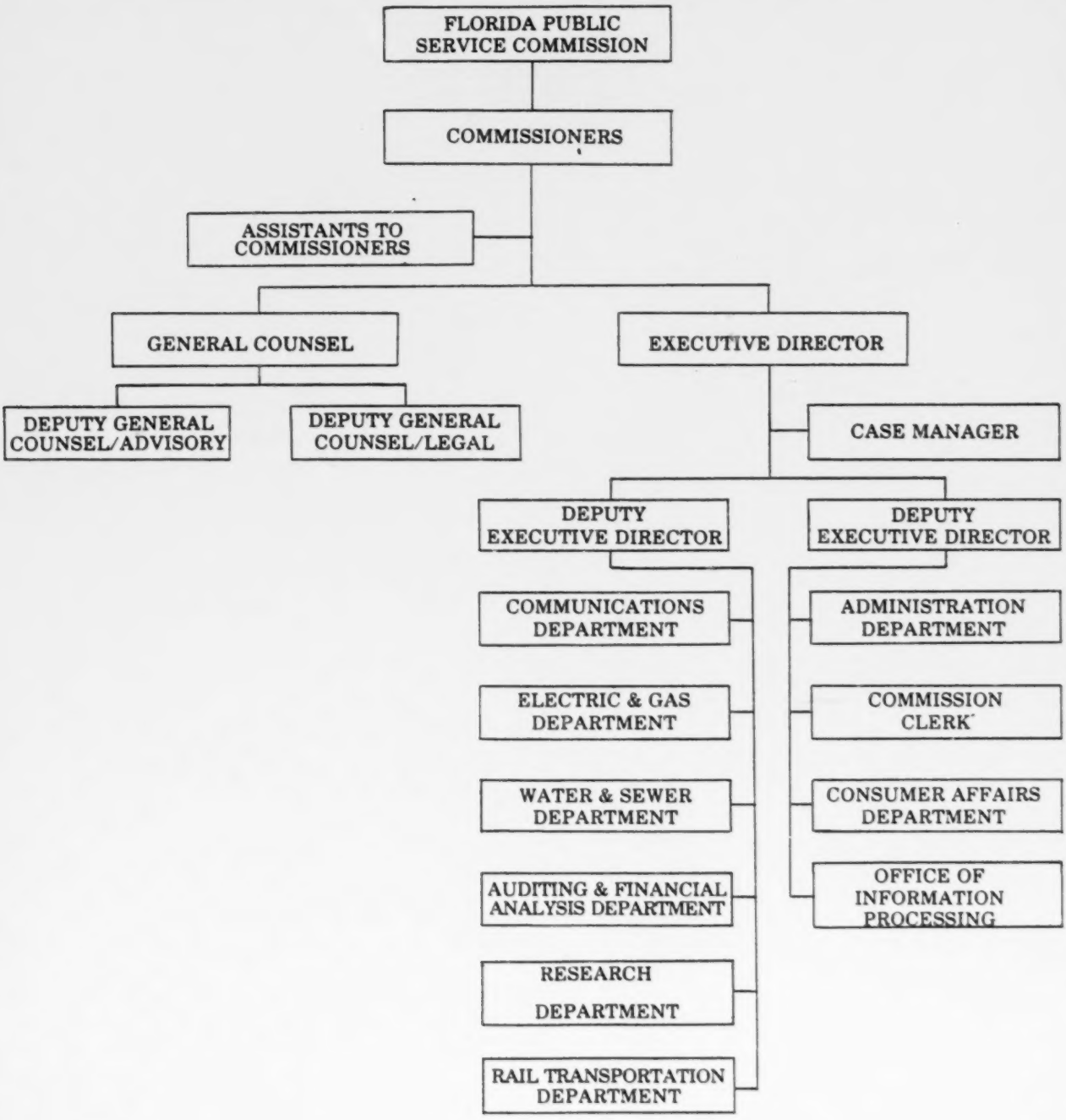
Organizational Chart of the Commission



PSC COMMITTEE MEMBERS - NARUC

The Public Service Commission actively participates in the National Association of Regulatory Utility Commissoners, and has the following members on NARUC committees:

COMMITTEES

Executive Committee
Joseph P. Cresse

Accounts
John R. Marks

Communications
Susan W. Leisner

Electricity
Joseph P. Cresse

Water
Gerald L. Gunter

STAFF SUBCOMMITTEES

Accounts
Gregory R. Follensbee

Economics
Mary Bane

Computers
Dewey Ray

Public Information
George Hanna

Utility Billing Practices
Richard Tudor

Consumer Affairs
George Hanna

Cost Allocations
Timothy Devlin

Manufacturing & Service Affiliates
Walter D'Haeseleer

Electricity
Joseph Jenkins

Engineering
Walter D'Haeseleer

Gas
C. Edward Mills

Water
James Collier
Dale Knapp

REGULATED UTILITIES
OPERATING STATISTICS 1981

	Gross Plant in Service	Operating Revenue	Operating Revenue Deduction	Net Operating Income	End of Period Number of Customers
Electric:					
Florida Power Corporation	$2,642,505,453 -	$ 1,278,297,207 -	$ 894,539,702-	$ 383,757,505-	802,787
Florida Power & Light	6,630,248,623 -	3,088,619,750 -	2,687,653,133-	400,966,617-	2,285,202
Florida Public Utilities	16,336,494 -	25,232,396 -	24,011,684-	1,220,712-	15,512
Gulf Power Corporation	857,597,326 -	321,197,007 -	263,677,165-	57,519,842-	210,954
Tampa Electric Company	1,147,260,516 -	619,395,592 -	540,062,146-	79,333,446-	338,948
Reedy Creek Utilities	38,177,184 -	13,478,377 -	12,672,564-	804,813-	469
Total Electric	$11,332,125,596 -	$ 5,346,220,329 -	$ 4,422,616,394-	$ 923,603,935-	3,653,872
Gas:					
City Gas	$ 49,803,954 -	$ 39,687,892 -	$ 37,136,306-	$ 2,551,586-	76,818
Florida Public Utilities	17,017,311 -	22,185,837 -	21,423,085-	762,752-	31,493
Peoples Gas	137,209,000 -	145,387,000 -	136,943,000-	8,444,000-	167,920
All Other Gas (11)	35,620,325 -	63,279,965 -	60,216,733-	3,063,232-	52,243
Total Gas	$ 239,650,590 -	270,540,694 -	255,719,124	$ 14,821,570-	328,474
Telephone:					
Central	270,157,289 -	97,832,438 -	64,446,716-	33,385,722-	138,167
Florida Telephone	520,431,379 -	134,758,865 -	103,920,303-	30,838,562-	191,880
General Telephone	2,198,249,074 -	777,134,779 -	357,217,245-	419,917,534-	1,153,057
Southern Bell	5,646,023,699 -	2,326,549,735 -	905,991,162-	1,420,558,573-	3,024,403
United Telephone	531,956,592 -	174,242,990 -	133,957,177-	40,285,813-	273,828
All Other Telephone Companies(13)	397,111,502 -	1,510,518,807 -	1,631,841,691-	1,663,438,544-	179,209
Total Telephone	$9,563,929,535 -	$3,640,332,120 -	$1,663,439,544-	$1,976,892,576-	4,960,544

REGULATORY TRUST FUND REVENUES
FISCAL YEAR ENDED JUNE 30, 1981

Recording Fees	$ 83,949.15
Utilities Filing Fees	116,230.00
Transportation Tax	2,165.00
Utilities Regulatory Tax	9,048,022.57
Misc. Revenue	5,067.50
Refunds and Cancellations	15,476.21
Interest Income	1,948,545.63
U.S. Grants	498,209.16
Plant Site Certifications	-0-
TOTAL	$11,717,665.22

OPERATING BUDGET 1977-1983

	Approved Positions	Approved Operating Budget
1977-78	370	$ 7,596,628
1978-79	403	8,249,238
1979-80	434	10,407,817
1980-81	361	10,249,676[1]
1981-82	322	12,124,437[2]
Anticipated 1982-83	340	11,084,789

NOTE: The amounts reflect the commission's actual July 1 budget except for the two years explained by footnotes.

[1]Reflects transfer of transportation positions and budget.

[2]Reflects reduction of positions and budget resulting from Sunset Review by legislature.

Personnel Office - 1981

Listed below is a summary of personnel actions during 1981.

New Employees	62
Terminations	46
Promotions	60
Pay Adjustments	361
Reassignments	26
*Other	200
TOTAL	755

Purchasing Office - 1981

Number of Bids Under $2,500 (Not requiring sealed bids)	5
Number of Bids Over $2,500 (Sealed Bids Required)	5
Total Amount of Bids	$34,293.74
Number of Supply Catalog Requisitions	501
Number of Special Order Requisitions	1,207
Number of Subscriptions Processed	128

Fiscal Section - 1981

The following workload statistics indicate the activity in the major functions of the Fiscal Section:

	1978	1979	1980	1981
Number of Invoices Processed	4,013	3,705	4,383	2,211
Accounting Transactions	13,515	21,885	23,222	21,955
Travel Vouchers	4,615	5,146	5,015	3,935
Payroll Change Orders:				
Regular Employees	1,561	1,685	1,690	2,330
Overtime	6	57	161	153
Law Enforcement Incentive	139	135	67	1
OPS	131	187	266	157
Professional & Technical Service Consultant Contracts	1	9	24	46

CASES DOCKETED YEAR 1981

Administrative & CI	18
Electric	95
Gas	13
Telephone	106
Railroad	32
Water	65
Sewer	39
Water/Sewer	110
Energy	7
TOTAL	485

ORDERS AND NOTICES ISSUED - YEAR 1981

Orders	791
Notices	248

Case Activity Statistics -- January 1981 - December 1981

END OF ---->	Jan. 1981	Feb. 1981	Mar. 1981	Apr. 1981	May 1981	June 1981	July 1981	Aug. 1981	Sept. 1981	Oct. 1981	Nov. 1981	Dec. 1981
All Cases Beg. Pd.	416	435	430	428	421	431	433	430	429	436	445	442
New Cases	42	30	49	40	44	57	43	40	44	35	24	37
Restored Cases	1	6	3	1	1	3	0	1	0	1	0	0
Closed Cases (subtract)	24	41	54	48	35	58	46	42	37	27	27	63
All Cases End Pd.	435	430	428	421	431	433	430	429	436	445	442	416
Active	377	371	364	354	363	363	364	377	380	385	383	372
Litigation	24	23	25	23	26	28	26	23	24	23	23	20
Monitor	34	36	39	44	42	42	40	29	32	37	36	24
Total All	435	430	428	421	431	433	430	429	436	445	442	416
Ages of Cases												
Less than 6 months	201	203	206	150	160	163	160	168	175	176	170	141
More than 6 months	81	76	70	118	116	113	125	125	131	143	82	92
More than 1 year	81	71	78	84	86	89	76	69	64	55	120	120
More than 2 years	43	50	43	38	41	40	44	41	39	41	37	27
More than 3 years	17	16	15	16	14	15	12	16	15	17	20	23
More than 4 years	6	8	9	8	8	7	7	5	5	6	6	6
More than 5 years	2	1	3	3	3	3	3	3	5	5	4	5
More than 6 years	1	2	2	2	2	2	2	1	0	0	1	0
More than 7 years	0	1	0	0	0	0	0	0	1	1	1	1
More than 8 years	3	2	2	2	1	1	1	1	1	1	1	1
Total	435	430	428	421	431	433	430	429	436	445	442	416
Cases More Than 2 yrs.												
Active						34	39	41	40	46	44	45
Litigation						21	21	17	15	15	15	12
Monitor						13	9	9	11	10	11	6
Total	72	80	74	69	69	68	69	67	66	71	70	63

CASE ACTIVITY 1976 - 1981

	Cases Docketed Calendar Year	Cases Pending January	Cases Active During Year	Cases Pending December	Number Closed	Orders Issued
1976	882	474	1,356	656	700	1,214
1977	1,001	656	1,657	744	913	1,365
1978	1,032	744	1,776	828	948	1,359
1979	1,067	828	1,895	731	1,233	1,822
1980	779	731	1,559	384	1,175	1,186
1981	485	416	918	416	502	791

1981 COMPLAINT ACTIVITY

ELECTRIC INDUSTRY

	Complaints Logged			1981	1980		Complaints per 1000	Justification			
	Service	Rates	Other	total	total	% change	customers	Yes	No	Some	Total Closed
FLORIDA POWER CORP.	148	310	73	531	480	10.6↑	.69	116	354	82	552
FLORIDA POWER & LIGHT	860	1639	600	3099	2919	6.2↑	1.42	864	1676	708	3248
FLA PUBLIC UTILITIES	1	2	2	5	12	↓58.3	.80	4	5	1	10
GULF POWER COMPANY	37	60	10	107	67	59.7↑	.53	19	86	14	119
TAMPA ELECTRIC COMPANY	35	221	96	352	204	72.6↑	1.11	81	244	22	347
INDUSTRY TOTAL	1081	2232	781	4094	3682	11.2↑		1084	2365	827	4276
PERCENTAGES	26.40%	54.52%	19.08%					25.35%	55.31%	19.34%	

1981 COMPLAINT ACTIVITY

GAS AND WATER & SEWER INDUSTRIES

	Complaints Logged			1981	1980		Complaints per 1000	Justification			
	Service	Rates	Other	total	total	% change	customers	Yes	No	Some	Total Closed
GAS											
CENTRAL	2	2	-	4	3	33.3↑	1.26	1	1	-	2
CITY	49	72	19	140	159	↓11.6	1.84	55	40	42	137
FLA. PUBLIC UTIL.	8	6	-	14	8	75.0↑	.44	6	5	2	13
GAINESVILLE	-	3	-	3	4	↓25.0	.22	2	1	-	3
GULF	5	3	-	8	8	None	.55	5	3	2	10
MILLER	6	9	2	17	5	240.0↑	3.21	6	4	1	11
PEOPLES	39	128	24	191	167	14.4↑	1.11	59	66	37	162
SOUTHERN	3	3	1	7	-	↑	1.51	2	4	-	6
SOUTH FLORIDA	1	2	-	3	2	50.0↑	1.00	-	2	-	2
TIMBERLAND	1	2	2	5	-	↑	7.22	-	5	-	5
INDUSTRY TOTAL	114	230	48	392	356	10.1↑		136	131	84	351
PERCENTAGES	29.08%	58.67%	12.24%					38.75%	37.32%	23.93%	
WATER & SEWER	59	104	17	180	166	8.4↑		66	83	44	193
PERCENTAGES	32.78%	57.78%	9.44%					34.20%	43.01%	22.80%	
TOTAL PAGES 1 - 3	6101	4038	1690	11829	14592						
OTHER INQUIRIES				66516	47014						

1981 COMPLAINT ACTIVITY

TELEPHONE INDUSTRY

	Complaints Logged			1981	1980		Complaints per 1000	Justification			
	Service	Rates	Other	total	total	% change	customers	Yes	No	Some	Total Closed
CENTRAL	167	92	22	281	266	5.6↑	2.10	142	84	68	294
CONTINENTAL	31	12	3	46	35	31.4↑	3.36	30	12	11	53
FLORALA	8	3	1	12	4	200.0↑	8.61	3	4	5	12
FLORIDA	79	33	18	130	169	↓23.1	.73	62	59	32	153
GENERAL	1136	201	193	1530	1871	↓18.2	1.39	1099	404	202	1705
GULF	-	2	1	3	-	↑	.52	-	2	1	3
INDIANTOWN	-	1	-	1	2	↓50.0	.66	2	1	-	3
N.E. FLORIDA	4	1	1	6	11	↓45.5	1.69	1	5	1	7
NORTH FLORIDA	60	17	2	79	67	17.9↑	2.35	42	29	24	95
ORANGE CITY	79	2	1	82	71	15.5↑	10.25	72	14	12	98
QUINCY	8	4	4	16	13	23.1↑	2.30	5	7	6	18
ST. JOSEPH	38	2	1	41	33	24.2↑	2.65	23	7	12	42
SOUTHERN BELL	3062	1060	578	4700	7544	↓36.4	1.72	2932	1124	1204	5260
SOUTHLAND	3	-	-	3	-	↑	1.86	1	2	-	3
UNITED	146	33	16	195	195	None	.78	126	64	47	237
WINTER PARK	26	9	3	38	107	↓64.5	.42	17	16	11	44
INDUSTRY TOTAL	4847	1472	844	7163	10388	↓31%		4557	1834	1636	8027
PERCENTAGES	67.67%	20.55%	11.78%					56.77%	22.85%	20.38%	

1981 COMPLAINT ACTIVITY

TELEPHONE INDUSTRY COMPARISON
1980 AND 1981

	1980 COMPLAINTS PER 1000 MAIN STATIONS & TRUNKS	1981 COMPLAINTS PER 1000 MIAN STATIONS & TRUNKS	1980 JUSTIFIED COMPLAINTS PER 1000 MAIN STATIONS & TRUNKS	1981 JUSTIFIED COMPLAINTS PER 1000 MAIN STATIONS & TRUNKS	1980		1981	
					% OF TOTAL MAIN STATIONS*	% OF INDUSTRY COMPLAINTS	% OF TOTAL MAIN STATIONS*	% OF INDUSTRY COMPLAINTS
Central	2.07	2.10	1.02	1.06	2.96	2.56	2.92	3.92
Continental	2.66	3.36	.84	2.19	.30	.34	.30	.64
Florala	3.01	8.61	.75	2.15	.03	.04	.03	.17
Florida	1.03	.73	.46	.35	3.78	1.62	3.89	1.82
General	1.79	1.39	1.02	.99	24.11	18.00	23.96	21.36
Gulf	0	.52	0	0	.12	0	.13	.04
Indiantown	1.46	.66	0	1.32	.03	.02	.03	.02
Northeast Florida	3.40	1.69	1.54	.28	.07	.11	.08	.08
North Florida	2.09	2.35	.84	1.25	.74	.64	.73	1.10
Orange City	10.13	10.25	5.99	9.00	.16	.68	.17	1.15
Quincy	1.90	2.30	.44	.72	.16	.12	.15	.22
St. Joseph	2.22	2.65	.74	1.49	.34	.32	.34	.57
Southern Bell	2.91	1.72	1.33	1.07	59.71	72.59	59.59	65.62
Southland	0	1.86	0	.62	.04	0	.03	.04
United	.85	.78	.34	.50	5.29	1.88	5.49	2.72
West Florida	.85	0	.17	0	.14	.05	.13	0
Winter Park	1.25	.42	.44	.19	1.97	1.03	1.98	.53

*Total mainstations include Vista Florida and South Georgia. There was no complaint activity against those companies.

NOTE: Number of main stations and trunks as of January 1 in that year.

Telephone Company Summary

Company	Number of Florida Exchanges	Florida Main Stations and Trunks	Percent of State Total	Main Station Percent Growth from Previous Year
Central	20	142037	2.94	6.16
Continental	15	20586	.43	4.52
Florala	2	1437	.03	3.08
Florida	34	191708	3.97	7.46
General	24	1145867	23.75	4.21
Gulf	2	5838	.12	1.35
Indiantown	1	1534	.03	1.46
Northeast Florida	2	3739	.08	5.41
North Florida	26	35677	.74	6.06
Orange City	1	9033	.19	12.86
Quincy	3	7186	.15	3.41
St. Joseph	14	16114	.33	4.05
South Georgia	-	55	.00	(1.79)
Southern Bell	100	2874810	59.58	5.13
Southland	2	2255	.05	39.63
United	30	270273	5.60	7.36
Vista-Florida	1	1634	.03	2.96
West Florida *	-	-	-	-
Winter Park	1	95857	1.99	5.65
Totals	278	4825484	100.00	5.16

* Included in Continental

TELEPHONE SERVICE EVALUATION RESULTS

A summary of service evaluation results in percent of call completions for the period 1977-1981 is as follows:

	1977	1978	1979	1980	1981
Intra-Office Calls	99.7%	99.6%	99.7%	99.4%	99.6%
Inter-Office Calls	99.5	99.8	98.8	99.6	98.9
Extended Area Service	99.2	99.1	98.6	99.0	99.1
DDD-Company[1]	97.3	97.9	98.1	97.5	98.3
DDD-State[1]	95.9	96.4	96.4	95.0	96.8

1 Direct Distance Dialing

Viewing these results on an area code terminating basis reflects the following:

Area Code	1977	1978	1979	1980	1981
305	96.507%	97.141%	96.294%	95.716%	97.254%
813	96.385	97.071	97.634	96.171	97.734
904	96.418	96.359	96.643	95.877	96.937

Likewise, analysis of portions of this data on Independent Company vs. Bell System basis results in the following:

	1977	1978	1979	1980	1981
Independent	96.3%	96.6%	96.3%	95.86%	96.63%
Southern Bell	96.6	97.1	96.5	95.92	97.07%

A summary of call completions by terminating companies is shown in the following chart for the period 1977 through 1981.

Percent Call Completion Summary by Terminating Company

Company	1977		1978		1979		1980		1981	
	Calls	%	Calls	%	Calls	%	Calls	%	Calls	%
Central	4406	95.5	3103	94.3	8380	96.1	2377	94.8	7959	95.0
Continental	2125	97.0	1307	96.3	2822	96.7	1140	96.0	2637	97.1
Florala	280	96.1	205	94:6	444	97.5	124	92.7	312	96.8
Florida	5697	96.9	4144	96.7	6352	96.3	3181	96.0	6576	96.5
General	15293	96.6	10593	97.4	14267	96.6	8950	96.6	31540	97.3
Gulf	259	91.5	263	98.9	456	98.2	192	94.8	402	96.3
Indiantown	103	97.1	146	100.0	170	97.1	63	92.1	167	95.8
Northeast	432	97.0	151	99.3	292	97.6	142	96.5	195	93.8
North Florida	3876	95.8	4079	97.2	4679	96.4	1887	96.2	5292	97.1
Orange City	539	92.9	374	94.9	783	95.7	246	95.5	707	95.5
Quincy	823	96.4	563	97.2	1290	95.6	429	93.5	876	94.1
St. Joseph	1863	95.8	1276	94.5	2735	95.7	809	94.7	2750	96.4
Southern Bell	17459	94.9	14513	95.9	60596	96.5	7794	92.3	57792	97.1
South Georgia	414	95.2	299	97.0	673	96.7	242	97.5	272	96.0
Southland	567	93.8	393	95.2	823	95.0	376	96.3	622	95.7
United	4173	96.5	4021	96.1	6810	96.1	3196	94.9	7677	96.4
Vista-Florida	377	97.9	298	96.0	644	96.3	222	95.5	415	97.8
West Florida	585	95.7	413	97.1	805	96.8	317	95.9	610	96.1
Winter Park	1576	95.9	1203	96.2	2461	97.7	758	95.1	3025	95.8
Totals	60847	95.9	47344	96.4	115482	96.4	32445	95.0	129827	96.8

1972-1981

FLORIDA ANNUAL AVERAGE KWH PER CUSTOMER

Residential Electric Service - All Schedules

Year	FP&L	FPC	TECO	GULF	FPU-M[1]	FPU-F[2]	RCU[3]
1972	11367	10277	11657	11826	8610	9182	N/A
1973	12024	11459	12852	12638	9264	10198	17000
Change 73/72	6%	12%	10%	7%	8%	11%	N/A
1974	11215	9758	12118	12212	9340	9276	16366
Change 74/73	(7%)	(15%)	(6%)	(3%)	1%	(9%)	(4%)
1975	11127	9701	12150	12187	9575	9785	20177
Change 75/74	(1%)	(1%)	0%	0%	3%	5%	23%
1976	10968	9932	11952	12913	9952	10206	20939
Change 76/75	(1%)	2%	(2%)	6%	4%	4%	4%
1977	11370	10604	12590	13220	10568	10950	23635
Change 77/76	4%	7%	5%	2%	6%	7%	13%
1978	11790	10895	12792	13341	10757	11396	24239
Change 78/77	4%	3%	2%	1%	2%	4%	3%
1979	11354	10496	12271	12868	10217	11199	27056
Change 79/78	(4%)	(4%)	(4%)	(4%)	(5%)	(2%)	17%
1980	11473	10643	12384	12959	10720	11189	28306
Change 80/79	1%	1%	.9%	.7%	5%	(.09%)	5%
1981	11216	10758	12708	12591	10365	11424	29294
Change 81/80	(2.2%)	(1.1%)	2.6%	(2.8%)	(3.3%)	2.1%	3.5%
Change 81/72	(1.3%)	3.6%	9.0%	6.5%	24.5%	24.4%	N/A

[1]Florida Public Utilities Company - Marianna Division
[2]Florida Public Utilities Company - Fernandina Division
[3]Reedy Creek Utilities

1980 RESIDENTIAL CUSTOMER USE AND REVENUE DATA BY REGIONS

	AVERAGE ANNUAL USE KWH	AVERAGE ANNUAL BILL $	AVERAGE REVENUE/KWH ¢
New England			
Total Electric Industry	6,607	436.41	6.61
Investor-owned	6,588	446.24	6.78
Middle Atlantic			
Total Electric Industry	6,379	436.37	6.84
Investor-owned	6,345	440.76	6.95
East North Central			
Total Electric Industry	7,948	407.00	5.12
Investor-owned	7,729	411.48	5.33
West North Central			
Total Electric Industry	9,006	405.44	4.51
Investor-owned	8,461	429.42	5.08
South Atlantic			
Total Electric Industry	10,831	530.33	4.90
Investor-owned	10,917	553.93	5.08
East South Central			
Total Electric Industry	12,648	491.58	3.89
Investor-owned	10,959	511.85	4.67
West South Central			
Total Electric Industry	11,673	523.19	4.49
Investor-owned	12,538	575.86	4.60
Mountain			
Total Electric Industry	8,662	398.16	4.60
Investor-owned	8,409	406.37	4.84
Pacific			
Total Electric Industry	8,350	343.62	4.12
Investor-owned	7,666	366.61	4.79
Alaska & Hawaii			
Total Electric Industry	8,343	527.88	6.33
Investor-owned	7,227	547.89	7.59
Total United States			
Total Electric Industry	8,976	442.43	4.93
Investor-owned	8,539	457.30	5.36
Florida			
Total Electric Industry	10,989	584.71	5.32
Investor-owned	11,629	631.62	5.44

Source: Edison Electric Institute, Statistical Year Book, 1979.

INVESTOR-OWNED

TYPICAL ELECTRIC UTILITIES BILL COMPARISON

Residential Service*
January 1, 1982

Utility	Minimum Bill or Customer Charge $	100 KWH $	250 KWH $	500 KWH $	750 KWH $	1000 KWH $	1500 KWH $
Florida Power Corporation	5.00	11.52	21.31	37.60	53.90	70.20	168.00
Florida Power & Light Company	5.19	11.56	21.11	37.04	52.96	71.47	182.58
Florida Public Utilities Company							
Fernandina Division	2.50	10.42	22.30	42.08	61.88	81.66	200.41
Marianna Division	5.00	11.02	20.04	35.09	50.12	65.16	155.41
Gulf Power Company**	5.00	10.38	18.45	31.90	45.35	58.80	139.50
Reedy Creek Utilities Co., Inc.	2.85	7.47	14.40	25.95	37.50	49.05	188.35
Tampa Electric Company	5.00	10.86	19.65	34.30	48.95	63.60	151.50

*Excluding Local Taxes
**Summer/Winter Rates in effect - Winter Rates are shown.

NOTE: January 1982 Fuel Adjustments are included

NATIONWIDE ELECTRIC RATES

CITY/UTILITY	PRICE - 1000 KWH*
New York, NY - Consolidated Edison Co. ‡	$128.93
KEY WEST, FL - City of Key West Board +	96.43
San Diego, CAL - San Diego Gas & Electric Co. ‡	93.78
Atlantic City, NJ - Atlantic City Electric Co. ‡	93.33
Philadelphia, PA - Philadelphia Electric Co. ‡	86.07
Boston, Mass. - Boston Edison Co. ‡	84.84
Southern California - Southern California Edison ‡	81.09
Delaware - Delmarva Power & Light ‡	80.83
OCALA, FL - City of Ocala +	79.63
Southeastern Michigan - Detroit Edison Co. ‡	75.70
Northeast Ohio - Cleveland Electric Illum. Co. ‡	74.66
SEBRING, FL - Sebring Utilities Commission +	72.93
ST. PETERSBURG, FL - Florida Power Corp. ‡	72.23
JACKSONVILLE, FL - Jacksonville Electric Auth. +	71.60
MIAMI, FL - Florida Power & Light Company ‡	71.47
San Francisco, CAL. - Pacific Gas & Electric ‡	71.35
Chicago & Northern Ill. - Commonwealth Edison Co.‡	70.64
BARTOW, FL - City of Bartow +	68.01
Phoenix, AZ - Arizona Public Service Co. ‡	67.86
VERO BEACH, FL - City of Vero Beach +	67.56
TALLAHASSEE, FL - City of Tallahassee +	66.68
LAKELAND, FL - City of Lakeland +	66.54
TAMPA, FL - Tampa Electric Company ‡	66.25
Los Angeles, CAL - Dept. of Water & Power +	65.45
Richmond, VA - Virginia Electric & Power Co. ‡	64.24
GAINESVILLE, FL - Gainesville Regional Utilities +	62.66
PENSACOLA, FL - Gulf Power Company ‡	62.29
Dallas, TX - Dallas Power & Light Company ‡	61.22
Houston, TX - Houston Lighting & Power Co. ‡	60.25
ORLANDO, FL - Orlando Utilities Commission +	60.00
Baltimore, MD - Baltimore Gas & Electric Co. ‡	57.10
Charlotte, NC - Duke Power Company ‡	56.07
Atlanta, GA - Georgia Power Company ‡	52.18
Mississippi - Mississippi Power Company ‡	51.12
Memphis, TN - Memphis Light, Gas & Water +	45.67
Albany, GA - Water, Gas & Light Commission +	43.27
Sacramento, CA - Sacramento Municipal Util. Dist. +	28.05
Seattle, WA - Seattle City Light +	16.09

+ City Utility
‡ Investor-Owned Utility

*Residential rate including fuel adjustment and franchise fee, if applicable, for December, 1981.

Source: Jacksonville Electric Authority Survey

Nationwide Electric Rates

25 Most Expensive Service Territories

City	State	Name of Company	1500 KWH* Total Cost	Average Cost (¢ per KWH)	Ranking
New York,	New York	Consolidated Edison	$235.08	15.67	1
Long Beach,	New York	Long Island Lighting	190.77	12.72	2
Honolulu,	Hawaii	Hawaiian Electric	179.82	11.99	3
Middletown,	New York	Orange & Rockland Utilities	178.73	11.92	4
Hilo,	Hawaii	Hawaii Electric Light	175.54	11.70	5
Wailuku/Kahului,	Hawaii	Maui Electric	175.05	11.67	6
Muhwah,	New Jersey	Rockland Electric	165.48	11.03	7
New Haven,	Connecticut	United Illuminating	159.31	10.62	8
Atlantic City,	New Jersey	Atlantic City Electric	158.10	10.54	9
Springfield,	Massachusetts	Western Massachusetts Electric	152.58	10.17	10
Poughkeepsie,	New York	Central Hudson Gas & Electric	148.97	9.93	11
Dover,	New Jersey	Jersey Central Power & Light	148.77	9.90	12
Chincoteague,	Virginia	Delmarva Power & Light	147.60	9.84	13
San Diego,	California	San Diego Gas & Electric	146.62	9.77	14
Newark,	New Jersey	Public Service Electric & Gas	144.13	9.61	15
Wilmington,	Delaware	Delmarva Power & Light	143.69	9.58	16
Aberdeen,	South Dakota	Northwestern Public Service	138.37	9.22	17
Salem,	New Hampshire	Granite State Electric	138.17	9.21	18
Providence,	Rhode Island	Narragansett Electric	137.32	9.15	19
Manchester,	Massachusetts	Manchester Electric	136.97	9.13	20
Salisbury,	Maryland	Delmarva Power & Light	135.21	9.01	21
Worcester,	Massachusetts	Massachusetts Electric	134.08	8.94	22
El Paso,	Texas	El Paso Electric	133.99	8.93	23
Boston,	Massachusetts	Boston Edison	129.46	8.63	24
Manchester,	New Hampshire	Public Service of NH	129.48	8.63	25

* Total Cost = 500 KWH per month (June '81, July '81, Aug. '81)

25 Least Expensive Service Territories

City	State	Name of Company	1500 KWH* Total Cost	Average Cost (¢ per KWH)	Ranking
Duluth,	Minnesota	Minnesota Power & Light	$70.02	4.67	192
Fargo,	North Dakota	Northern States Power	69.41	4.63	193
Ashland,	Kentucky	Kentucky Power	69.38	4.63	194
Longview,	Texas	Southwestern Electric Power	69.09	4.61	195
Franklin,	North Carolina	Nantahala Power & Light	69.16	4.61	196
Marietta,	Ohio	Monongahela Power	68.91	4.59	197
Fayetteville,	Arkansas	Southwestern Electric Power	67.39	4.49	198
Shreveport,	Louisiana	Southwestern Electric Power	64.13	4.28	199
Portland,	Oregon	Portland General Electric	63.93	4.26	200
Portland	Oregon	Pacific Power & Light	60.55	4.04	201
Las Vegas,	Nevada	Nevada Power	60.36	4.02	202
La Grande,	Oregon	C.P. National	56.13	3.74	203
Casper,	Wyoming	Pacific Power & Light	55.33	3.69	204
Ontario,	Oregon	Idaho Power	54.75	3.65	205
Boise,	Idaho	Idaho Power	53.37	3.56	206
Billings,	Montana	Montana Power	48.98	3.27	207
Yakima,	Washington	Pacific Power & Light	48.25	3.22	208
Wallace,	Idaho	Citizens Utilities	43.68	2.91	209
Cheyenne,	Wyoming	Cheyenne Light, Fuel & Power	43.14	2.88	210
Bellevue,	Washington	Puget Sound Power & Light	41.61	2.77	211
Kalispell,	Montana	Pacific Power & Light	39.06	2.60	212
Spokane,	Washington	Washington Water Power	37.10	2.47	213
Sandpoint,	Idaho	Pacific Power & Light	33.63	2.24	214
Coeur d'Alene,	Idaho	Washington Water Power	31.80	2.12	215
Noxon Dam,	Montana	Washington Water Power	29.94	2.00	216

* Total Cost = 500 KWH per month (June '81, July '81, Aug. '81)

Source: Data submitted to the NARUC by its member State Commissions

GAS UTILITIES

TYPICAL GAS BILL COMPARISON

Residential Service
January 1, 1982

Utility	Minimum Therms	Bill Amount	10 Therms	25 Therms	40 Therms	50 Therms	100 Therms
Central Florida Gas Corporation	2	1.65	6.03	12.75	19.46	23.94	46.33
City Gas Company of Florida	0	4.00	8.68	15.70	22.71	27.41	50.79
Florida Public Utilities	0	3.50	8.69	16.48	24.26	29.45	55.40
Gainesville Gas Company	0	5.00	9.71	15.68	21.65	25.64	45.58
Gulf Natural Gas Company							
Panama City Division	4	2.50	5.66	11.50	16.96	20.30	36.68
Ocala Division	2	2.50	6.42	12.94	19.08	23.15	41.98
Indiantown Gas Company	0	2.50	5.46	12.87	19.74	24.15	44.45
Miller Gas Company	0	4.00	9.15	16.88	24.62	29.77	55.54
Peoples Gas System, Inc.	0	3.41	9.19	16.71	23.66	28.30	50.31
Plant City Natural Gas Co.	0	2.25	6.49	12.84	19.18	23.12	42.80
St. Joe Natural Gas Co., Inc.	4	1.90	3.75	9.76	15.17	18.72	35.83
Seacoast Gas Company	0	3.00	8.41	16.33	24.09	29.27	55.17
Southern Gas Company	0	4.00	8.97	16.46	23.93	28.90	53.82
South Florida Natural Gas Co.	5	2.91	7.05	16.12	25.17	30.27	54.33
Timberland Utilities	5	3.00	5.15	11.01	16.87	20.79	40.33

Natural Gas Accidents

Year	No. of Systems Reporting	No. of Incidents	No. of Injuries	No. of Fatalities	Construction Damage or Negligence
1971	3	5	38	1	2
1972	1	4	0	0	3
1973	7	12	4	0	11
1974	5	10	7	0	10
1975	2	3	0	0	3
1976	4	5	2	2	4
1977	3	9	0	0	4
1978	3	4	1	0	3
1979	7	14	5	1	7
1980	12	17	6	6	13
1981*	11	23	16	3	19

*January 1 through December 1 figures

WATER AND SEWER REGULATION

	1976	1977	1978	1979	1980	1981
Counties Regulated	26	26	26	26	26	28
Water Certificates	244	258	262	292	264	263
Sewer Certificates	191	211	215	255	245	234
Total Systems Regulated	668	708	705	775	642	690

Docketed Cases Completed Fiscal 1980-81

Rate Cases, Full	50
Rate Cases, Staff Assisted	16
Rate Cases, Original Certificate	2
Rate Cases, Certificate Transfer	3
	71
Certification Matters	93
Service Availability	4
Pass Through Rates	14
	111